

INDIANA.

John M. Nelson, Crothersville.

MASSACHUSETTS.

Thomas E. Luddy, East Bridgewater.

MISSOURI.

Ross Alexander, Mercer.
L. R. Dougherty, Pacific.

MONTANA.

L. H. Adams, Somers.
W. H. B. Carter, Polson.

NEW JERSEY.

George Deiss, jr., Bradley Beach.
Adolphus Landmann, Oradell.
Henry Otto, Egg Harbor City.

OHIO.

Wiley K. Miller, Shreve.
David M. Welty, Bremen.

OREGON.

Esther Evers, Huntington.

SOUTH DAKOTA.

Hugh J. McMahon, Philip.

TEXAS.

T. J. Lilley, Whiteright.
J. W. Whatley, Miami.

SENATE.

TUESDAY, September 2, 1913.

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

The Journal of yesterday's proceedings was read and approved.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Dillingham	Martine, N. J.	Simmons
Bacon	Fletcher	Myers	Smith, Ga.
Bankhead	Gallinger	Nelson	Smith, S. C.
Borah	Hollis	Norris	Smoot
Bradley	Hughes	O'Gorman	Sterling
Brady	James	Overman	Stone
Brandeggee	Johnson	Owen	Sutherland
Bristow	Jones	Page	Thomas
Bryan	Kenyon	Penrose	Thompson
Catron	Kern	Perkins	Thornton
Chamberlain	La Follette	Pomerene	Vardaman
Chilton	Lane	Robinson	Walsh
Clapp	Lewis	Root	Warren
Clarke, Ark.	Lodge	Saulsbury	Weeks
Colt	McCumber	Shafroth	Williams
Crawford	McLean	Sheppard	Works
Cummins	Martin, Va.	Sherman	

Mr. THORNTON. I wish to announce that my colleague [Mr. RANDELL] is at this time absent from the Chamber on public business.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent from the Chamber and will be absent for the remainder of the day. He has a general pair with the Senator from Florida [Mr. BRYAN].

Mr. SHEPPARD. My colleague [Mr. CULBERSON] is necessarily absent. He is paired with the Senator from Delaware [Mr. DU PONT]. This announcement may stand for the day.

Mr. SMOOT. I desire to announce that the senior Senator from Delaware [Mr. DU PONT] is detained from the Senate on account of illness.

Mr. GALLINGER. I wish to announce that the junior Senator from Maine [Mr. BURELIGH] is detained from his duties here on account of a protracted illness. Information received from him yesterday indicates that he will not be here at any time during the present session. I make this announcement now so that it may not be necessary to repeat it on subsequent roll calls.

The VICE PRESIDENT. Sixty-seven Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the

United States Military Academy, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Chamber of Commerce of Oroville, Cal., praying for the enactment of legislation providing for the enlargement of the naval forces of the country, which was referred to the Committee on Naval Affairs.

He also presented a petition of the Chamber of Commerce of Oroville, Cal., praying for the establishment of a naval reserve, which was referred to the Committee on Naval Affairs.

Mr. POINDEXTER presented a resolution adopted at the annual meeting of the Congregational Association of Eastern Washington and Northern Idaho, held at Medical Lake, Wash., extending thanks to Congress for the enactment of the Kenyon-Webb interstate liquor law, which was referred to the Committee on the District of Columbia.

He also presented resolutions adopted at the annual meeting of the Congregational Association of Eastern Washington and Northern Idaho, held at Medical Lake, Wash., favoring the ratification of international arbitration treaties, which were referred to the Committee on Foreign Relations.

DR. JOHN T. NAGLE.

Mr. O'GORMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 2907) to authorize the President to award a medal of honor to Dr. John T. Nagle for conspicuous bravery at the battle of Kernstown, Va., on July 24, 1864, while serving as an acting assistant surgeon of the United States Army, asked to be discharged from its further consideration, and that it be referred to the Committee on Military Affairs, which was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CRAWFORD:

A bill (S. 3069) granting a pension to Catherine E. Brown; to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 3070) granting an increase of pension to Andrew T. Machesney; and

A bill (S. 3071) granting an increase of pension to Celina Little; to the Committee on Pensions.

THE CURRENCY.

Mr. THOMAS. I submit an amendment intended to be proposed to the bill (H. R. 6454) to provide for the establishment of Federal reserve banks, for furnishing an elastic currency, affording means of rediscounting commercial paper, and to establish a more effective supervision over banking in the United States, and for other purposes, which I ask may be printed and referred to the Committee on Banking and Currency.

The VICE PRESIDENT. The amendment will be printed and referred to the Committee on Banking and Currency.

Mr. THOMAS. In this connection I ask unanimous consent to publish in the Record a short article explanatory of the amendment from its author, and which I think is not only of importance but of great interest and value, due to the fact that we shall take up for determination the currency measure. I ask that the article be referred to the Committee on Banking and Currency to accompany the amendment just submitted.

There being no objection, the article was referred to the Committee on Banking and Currency and ordered to be printed in the Record, as follows:

PREFACE.

In order that the people's interest might be properly conserved, the administration at Washington expressed a desire to receive suggestions from persons not peculiarly interested in matters which are the subject of legislation.

In response to this general invitation, I published in May of this year a pamphlet entitled "Outline of a Plan for Funding the National Debt and for Maintaining an Elastic Reserve Currency." The "plan" attracted some attention because of its novel treatment of the subject and for the advantages insured by its adoption, among which are the following:

- The saving of millions of dollars annually in interest.
- The means of determining at regular intervals a proper interest rate on bonds.
- An equivalent to the Government of the profit on the circulation privilege in the form of a low interest rate on its bonds.
- Taking the Government out of the banking business.
- Independence of syndicates in the flotation of its bonds.
- An "automatic" sinking fund.
- The maintenance of the gold standard.
- The simplicity of the system.
- The freedom of competition in regard to Government bond issues.
- The ultimate increase, within certain limits, of available money.
- Its adaptability to expansion in the event of war.
- The means of accelerating or retarding the process of funding to the best advantage.

And, above all, the introduction of a short-term gold bond, bearing a low competitive rate of interest, which is made available for money reserves for banks because exchangeable in an emergency for correlated legal-tender "bond certificates" at any subtreasury on demand.

I have recently been requested by a distinguished United States Senator to draw up, in harmony with the proposed plan, an amendment to section 20 of the Federal Reserve act, commonly known as the Glass-Owen currency bill, which section provides for the gradual retirement during 20 years of the 2 per cent bonds now used as a basis for national-bank-note circulation and the issue in place thereof of 3 per cent bonds having no circulation privilege.

In the drawing up of this amendment I am greatly indebted to Hon. Hugh H. Hanna, of Indianapolis, Ind., who served as chairman of the monetary conference of 1900. The amendment as drawn, though requiring expression in legal parlance, is the result of many interviews and much thoughtful consideration on the part of the gentleman named and myself, and in the substance thereof we are in perfect accord.

While written as an amendment, I would respectfully suggest that it be considered as outlining a separate bill, because it is complete in itself as such. It would eliminate from the pending currency bill all discussion regarding our present issues of bonds and currency other than gold and silver certificates, which are not affected, and, finally, because it would give more time for the consideration of a currency bill free from any "entangling alliance," thus rendering it clearer and more readily understood. These are practical considerations for the reason that the plan as formulated in a bill would soon provide a reasonable increase to our present available circulation.

It is therefore presented under two titles—one as an amendment to the currency bill and the other as a bill complete in itself. In the argument I refer to it as a "bill."

WILLIAM A. AMBERG.

CHICAGO, August 9, 1913.

INTERCHANGEABLE BONDS AND BOND CERTIFICATES.

THE NEW BONDS.

Authorize the funding of the public debt and the issue of short term, *e. g.*, 10-year renewable term bonds, in an amount to fully cover the principal of the entire debt¹ and the premium on outstanding bonds. There should be, say, 20 issues of equal amount maturing six months apart.

Let us assume that the total amount authorized is \$1,500,000,000; this would make each issue \$75,000,000.

The interest rate on the bonds, which may vary with each issue, will be discussed later; for the present, let it suffice to state that the interest rate is to be determined for each issue when made.

With the complete funding of the debt there will mature \$75,000,000 of bonds every six months, and the interest rate should be fixed on each renewal issue.

TIME REQUIRED FOR FUNDING AND ULTIMATE ROTATION OF MATURITIES.

It will not necessarily take 10 years to refund the debt. Funding can proceed as rapidly as desired or as may be found economical. The first issue would necessarily be for 10 years, other issues after the lapse of every 6 months would also be for 10 years, but accelerating issues can be made for shorter periods, each timed to mature 6 months earlier than the earliest maturity of bonds previously issued, as 9½ years, 9 years, 8½ years, etc., from the date of the first issue.

The renewal of the serial issues begins with the earliest maturity, and renewals will come regularly every 6 months thereafter, provided all the 20 serial issues are out. If the debt be not entirely funded by the time the earliest maturity arrives there will be other "open" maturity dates besides the two provided for emergencies. If the time required for funding could be predetermined the earliest maturity date could be fixed for the first serial issue, all subsequent issues expiring six months later than the preceding one. The object of all this will appear later when we come to apply an interest rate.

INTEREST TABLE ON BONDS.

On the back of each bond should be printed a table showing the accrued interest (according to the interest rate it bears) for each given day in the year between coupon maturity dates.

We then have a bond representing a specific amount and showing the amount of accrued interest on any given day.

THE BOND CERTIFICATES.

The "bond certificates," as stated in the bill, are practically the same as our present United States notes and need only an added clause to the effect that they are exchangeable for the new interest-bearing bonds at par upon payment of the accrued interest on the day the exchange is made. These certificates alone are exchangeable for the bonds. This is an absolute requirement and suggests the desirability of exchanging all the various kinds of certificates now issued, *in kind only*, as gold for gold certificates and silver for silver certificates only.

At first glance, it would seem that we double the debt because the certificates are prepared to an equal amount with the bonds. This, however, is not the case any more than that our gold certificates double the amount of money, which, of course, they do not.

THE CUSTODIAN.

Each issue of bonds, when ready, is to be delivered to an official of the Treasury Department whom I will designate the "custodian," whose duties are practically the same as those of the officer who now exchanges gold for gold certificates and *vice versa*, the only difference being that he is provided with an interest fund.

He gives out the bonds for bond certificates only, collecting the accrued interest shown on the back of the bonds, and when the operation is reversed and bonds are presented for certificates, he pays the accrued interest.

He is not to part with bonds for any other form of money, not even for gold. There will always be the same amount of certificates in his possession as there are bonds outstanding.

¹ The interest-bearing debt, Mar. 1, 1913, exclusive of postal savings bonds, is	\$963,317,490
Debt on which interest has ceased at maturity	1,077,650
Debt bearing no interest	376,460,242
Total debt to which the plan is applicable	1,341,455,382
Postal savings 2½ per cent bonds	2,389,120
Aggregate of interest and noninterest bearing debt	1,343,844,502

BOND CERTIFICATES A LEGAL TENDER.

I assume that the legal-tender character now attaching to greenbacks will apply to bond certificates which replace them.

As a currency it is bettered because secured by interest-bearing United States bonds.

They are never to be paid out by the Treasury before the new bonds are in the hands of the custodian, nor in excess of the amount of bonds so placed.

No additional certificates are required for renewals of bond issues; they are paid out only for the principal of the debt and premium on certain bonds now outstanding, and for other items recognized as a part of the national debt, which includes greenbacks.

THE NEW BONDS AS BANK RESERVES.

The bonds being instantly convertible into legal-tender bond certificates are especially adapted for bank reserves, not only for national banks but all other banks, trust companies, and all classes of investors who have idle money awaiting investment. The sum of all these combined is so large that the demand for bonds can be met only in part, which will enable the Treasury to secure a very low interest rate on bonds, virtually a Government "call-loan" rate. Banks could keep a large part of their money reserve in these bonds, because they could be converted any day into bond certificates at any subtreasury, and conservative bankers could therefore increase their present reserves without loss.

There is no way of determining what the money reserve of all the banks and trust companies aggregates. It can only be conjectured.

For this purpose let us consider our

STOCK OF MONEY.

The Treasury's estimate of the stock of money in the United States on March 1, 1913, excluding \$174,897,996 subsidiary silver, was \$3,533,297,528; deducting cash in the Treasury held as assets, \$342,286,969, leaves \$3,191,010,559 as the amount of money in circulation. Assuming that \$2,500,000,000 of this is reserve money, the total issue of the new bonds—which would be less than 60 per cent of this sum—could be held by banks alone as a part of their reserves, because instantly convertible into currency.

THE RATE OF INTEREST ON BONDS.

The recent circular of a firm making a specialty of Government bonds gives a table showing high and low prices during certain years of bonds available as security for national-bank notes. This shows a mean average interest yield on 2 per cent bonds ranging from 1.68 in 1901 to 1.96 per cent in 1912.

This low rate arises from the competition of national banks alone. How much lower the interest rate might be if they were sought in universal competition, coupled with facilities for instant conversion into currency, may be imagined.

INCOME YIELD TO BANKS.

Regarding the rate of interest which the Government may secure on the new bonds, it is my firm belief that as low as 1.2 or 1.4 per cent may suffice under this plan. These conclusions rest on the fact that as national banks investing capital in the present bonds to secure circulation—which capital might be fully loaned at 5 per cent—have a net income derived from circulation—over and above 5 per cent—after paying taxes on circulation, etc., of only 1.25 to 1.4 per cent, whereas, under this plan they could invest a part of the idle money they are required to keep on hand as a reserve in convertible interest-bearing bonds.

When the funding is practically completed and we reach the renewal stage, our experience will have been such that there will be but slight changes in the interest rate. Just now we can not estimate positively how low an interest rate will still command a slight premium for the bonds.

DETERMINING THE INTEREST RATE.

To be absolutely on the safe side, let us assume that the first issue of \$75,000,000 10-year bonds bear interest at the rate of 2 per cent. If that proves too high, considering their desirability, it will manifest itself by the bonds commanding a premium in the open market, which will be a gold market when our present United States notes are exchanged, and will remain so unless subsequent legislation should change the character of our currency, which is not likely.

With open market quotations at hand it is easy to determine what lower rate of interest will suffice to keep them at a little above parity with gold.

FIXED SCALE OF INTEREST RATES.

I suggest that interest rates be always fixed at a multiple of 1.5 (0.2) of 1 per cent, as 1.6, 1.8, 2, 2.2, 2.4, etc., per cent, because even if bonds should be issued in denominations as small as \$50 there will be no fractional cents in the semiannual coupons; the coupons then will be multiples of 5 cents on a \$50 bond, 10 cents on a \$100 bond, 50 cents on a \$500 bond, and \$1 on all the larger denominations.

NO PREMIUM OR DISCOUNT ON BONDS RECOGNIZED BY THE GOVERNMENT IN MAKING EXCHANGES.

So far as the Treasury is concerned, it recognizes no premium or discount in making exchanges of bonds and certificates, regardless of whatever the "open market" may be; but in order that parity with gold may be maintained and also that the certificates may be a real reserve currency ordinarily withheld from circulation, the interest rate on each series of bonds when issued or renewed should be such as to command a very slight premium for the bonds.

Bond certificates immediately exchangeable for bonds bearing even a very low interest rate will be withheld from general circulation by banks, and gold and silver and their certificates will be paid out instead.

NO DISCOUNT.

The above ideas being followed, it is evident that these bonds will never be at a discount. Temporary "aberrations" in the money market will correct themselves, and the system will have a steady influence on the "value of gold," just as an "idler pulley" has a steady effect on a leather belt transmitting power.

DENOMINATION OF THE BONDS.

The question as to what the denominations of the bonds should be can be determined by experience gained from the first issue. However, to insure perfect equality and no special privilege to any class, it seems desirable that some bonds as small as \$50 should be issued.

DUTIES OF THE CUSTODIAN.

The custodian's duties are substantially these: He must give out bonds for bond certificates only and bond certificates for bonds only. The interest either way is to be paid in gold or

its equivalent; hence if he be given a certain amount of the new bonds he will, whatever the exchanges may be, have always the same total amount in bonds and bond certificates.

EXTENSION OF FACILITIES FOR EXCHANGE.

Custodianships may be established in other than subtreasury cities to give the benefit of quick exchange to smaller geographical divisions.

SAVING IN INTEREST.

An economical feature of the plan is that it saves interest on the bonds while the certificates are outstanding and even while the Treasury has possession of them.

If the Treasury receives bond certificates as currency in the regular course of business, it will naturally retain them as banks would and thus save interest.

"AUTOMATIC" SINKING FUND.

A permanent holding of bond certificates by the Government is, automatically, the equivalent of a sinking fund to the extent to which they are so held. They are simply an "offset" to the bonds which are held by the custodian.

PREMIUM ON BONDS.

As the Government maintains parity with gold on the new bonds by fixing the interest rate on one serial issue every six months, it does not concern itself with premium on bonds, as it never sells them, unless necessary to replenish the gold-reserve fund, as stated in the bill, an unlikely occurrence. It holds them merely for the purpose of exchange for the only thing which will command them, viz, bond certificates.

The reason for exchanging bonds for bond certificates only is to prevent contraction of the currency and to make the certificates more valuable than any other circulating medium.

WHEN THE INTEREST RATE SHOULD BE FIXED.

It is possible to delay the determination of the interest rate on each of the serial issues to within 30 days of their several dates. While the bonds are printed by hand from steel plates (a slow process) the date, interest rate, and interest table can be quickly printed from type on ordinary printing presses.

I would suggest a smaller bond with larger coupons than usual; 8½ by 14 inches should be the limit.

DURABILITY OF BOND CERTIFICATES.

While the bonds would have to be printed for each particular issue the certificates, which may be of any denomination desired, are general, and command any bond issue, or any particular issue designated by the Secretary of the Treasury if deemed advisable. They will last indefinitely, not being subject to the wear and tear of ordinary currency.

A FINANCIAL BAROMETER.

The daily summarized reports of "Custodians" showing the relative amounts of bonds and bond certificates on hand would be a better barometer of local and general currency conditions than are now the clearing-house reports of business conditions.

DENOMINATION OF BOND CERTIFICATES.

Bond certificates can be issued of any denomination. Even one, two, and five dollar bills may be provided. Their issue and use would be more general than those of the larger denominations, because they are more needed in panicky times, and also because a creditor for large amounts would prefer to take bonds, plus interest, to certificates.

CUSTOM DUES.

The clause relating to customs dues in the proposed bill is the same as that which now appears on the backs of United States notes. It will never be necessary to make it operative except in the event of a prolonged and costly war.

RESERVE FUNDS.

Gold certificates have a 100 per cent gold reserve.

Bond certificates will have a 100 per cent serial gold bond reserve, which bonds have a seventy-five million gold reserve to meet an entire serial issue as it falls due, with ample provision for replenishing said gold reserve if drawn upon to meet the next serial issue at its maturity six months later.

Silver certificates have a 100 per cent reserve in silver dollars. By congressional act the Government must maintain parity. The bill directs the Secretary of the Treasury to issue one, two, and five dollar silver certificates in lieu of those of the denominations of \$10 or more, which amount to about twenty-two millions. When the funding is completed over \$320,000,000 of gold certificates of the denomination of \$5 must be provided to meet the requirements of trade for this denomination.

Bond certificates will not ordinarily serve the purpose, as they will be withdrawn from circulation to command bonds and create a scarcity of small bills which are absolutely required. My conclusion is that as these smaller silver certificates are needed they will never be presented for redemption in gold to any extent, so that a gold reserve of twenty-five millions is ample, making one hundred millions in all, thus releasing fifty millions of the present reserve.

THE ECONOMIC VALUE OF A RESERVE.

I realize fully that some will question the necessity of maintaining any gold reserve. I look upon it as a possible necessity. It gives assurance to the world of the character of our money. From the standpoint of economy alone it is a good investment. The loss of interest on \$100,000,000 will be more than offset by the lower interest rate our bonds will command because of the maintenance of the fund. A borrower at a bank soon realizes the fact that the average balance he maintains with it has a very decided influence on the interest rate demanded.

LIMIT OF BOND CERTIFICATES.

The plan as outlined limits the bond certificates to the amount of the national debt, in round numbers about \$1,350,000,000, while the full cycle of 20 seventy-five-million-dollar issues of bonds, maturing six months apart, would amount to fifteen hundred millions. This leaves two issues, and consequently two maturity dates, free for emergencies, which I deem a very necessary precaution, not only for preliminary war preparations, but also many other purposes. It may be necessary to provide for Panama bonds not yet issued to reimburse the general fund. It might be profitable to have an open maturity date for a shorter time bond when the interest rate manifests an upward tendency.

INCREASE OF AVAILABLE PAPER CURRENCY.

When the process of funding is completed, there will be an increase of available currency from the following sources:

From bonds not now available as a basis for circulation.....	\$213,000,000
Premium on 4 per cent bonds at about 10 per cent, say.....	12,000,000
National-bank redemption fund, treated as a liability by the Treasury, say.....	25,000,000
Total.....	250,000,000

ANOTHER FORM OF PRESENTING THE INCREASE.

The national debt as of March 1, 1913, was as follows:

Interest-bearing debt.....	\$965,706,810
Debt bearing no interest.....	1,677,650
United States notes of all kinds.....	376,460,242
Total.....	1,343,844,502

As a considerable amount of the national debt included in above will never be presented, having been lost or destroyed (e. g., fractional currency \$6,854,805), the final limit of bond certificate issues, after adding premium on bonds now outstanding, can not exceed the sum of \$1,350,000,000.

The currency in circulation which would be retired was, on March 1, 1913, as follows:

Treasury notes of 1890.....	\$2,742,000
United States notes.....	346,681,016
National-bank notes.....	751,117,794
Total.....	1,100,540,810

So that the available increase in the circulating medium will be about \$250,000,000 independent of the release of fifty millions of the gold reserve, and if the Government deposits its money in the national banks on security other than these convertible bonds, another one hundred millions can be fairly relied upon, thus making a total of \$400,000,000.

THE STEADYING EFFECT OF AN ADJUSTABLE INCREASE RATE.

When the premium on bonds goes up in the open market the interest rate will go down, and when the bonds command no premium the interest rate will go up. This idea, which is economically sound, is applied every six months to \$75,000,000 of bonds. It will have a steady effect on the value of bonds as a whole, and the temporary "aberrations" of the money market will affect them but little. This is another argument for limiting the term of the bonds to 10 years.

BANK RESERVE REQUIREMENTS.

The money reserve requirements of all banks, trust, and other companies (though no data are available) I estimate at nearly double the amount of serial bonds. Would not a big bank having ten or twenty millions of gold certificates locked up in its vaults which must be kept there idle and earn absolutely nothing, gladly substitute all the bonds they could get that would earn even as low a rate as their investment of bonds for circulation has yielded them, say 1.2 or 1.4 per cent, especially when they could exchange them for legal-tender currency (on a gold basis) on an hour's notice?

Think of the enormous expense of all the engraved plates, the printing, the signing of bills, the red tape and the delay, to say nothing of the capital they have to put into bonds and the trouble of getting circulation money under the present system.

Under this system their capital is not touched. Their money reserve is a fixed per cent of their depositors' money which they are obliged by law to keep for their protection in times of emergency. What better emergency money can you provide than bond certificates?

Consider also the enormous expense the Government will save by dispensing with the present system and adopting one so absolutely simple.

WAR BONDS.

In case of war the serial issues could be increased, and so long as the bonds do not approach the full requirements for bank reserves the rate of interest will be low. It is well to recognize the fact that the nearer the amount of bonds approaches the total bank reserve requirements, the interest rates will rise, on account of decreasing competition for them in the open market.

ADDITIONAL CURRENCY REQUIREMENTS.

I disclaim any purpose to limit the paper money of the country to gold, silver, and bond certificates. These appeal to me because they will all be operated on the same principle—that of immediate interchange; the last to the mutual benefit of the banks and the people.

The bond-certificate idea is exceedingly simple once we divest ourselves of our "habit of thought" regarding paper money.

Fortunately we have had a long experience with national-bank issues and can estimate very closely what a currency-issuing privilege is worth to the people. We are perfectly willing to give them an equivalent in different form, because we impose on them the arbitrary requirement of a money reserve for our deposits. In doing this, as herein outlined, the people will get a low interest rate on the debt and the banks and others who want a like interest on money necessarily idle can invest it in convertible bonds.

NO SUDDEN INSPIRATION.

This plan is no sudden inspiration. Its development has been the result of study and observation off and on ever since 1893, when it was impossible to borrow money at a bank on Government bonds. The time for its presentation and advocacy seems propitious. No economic principle of finance is abrogated; the point of view only, to which we have so long been accustomed, is changed; the Government becomes the "syndicate," and the banks, as the custodians of the people's deposits, are the principal investors. It is the depositors' money they are privileged—not compelled—to invest in the people's bonds, not their own capital as now. Their interests are made mutual. This is "the new finance."

CHICAGO, August 9, 1913.

WILLIAM A. AMBERG.

WASHINGTON & GEORGETOWN GAS LIGHT COS.

Mr. JONES submitted the following resolution (S. Res. 178), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Commissioners of the District of Columbia be, and they are hereby, directed to report to the Senate as soon as practicable what steps, if any, have been taken by them to enforce section 11 of the act of Congress entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913, so far as the same may affect the Washington Gas Light Co. and the Georgetown Gas Light Co., both of the District of Columbia.

BETTERMENT OF RURAL CONDITIONS (S. DOC. NO. 177).

Mr. SHAFROTH. Mr. President, at the conference of governors held last week at Colorado Springs, Colo., there was an address delivered by Hon. DUNCAN U. FLETCHER, a Member of

this body, relative to the work of the American commission respecting agricultural finance, organization, cooperation, and betterment of rural conditions. I have read the address, and it is a most admirable one. It deals with subjects which are going to be of great interest to the American people in the coming Congress. I ask unanimous consent that it be printed as a public document.

Mr. SMOOT. Did I understand the Senator to say that it is a speech delivered by the Senator from Florida in this Chamber?

Mr. SHAFROTH. No; it is not. He delivered a speech somewhat upon this subject, but he did not deal with the work of the commission upon which—

Mr. SMOOT. The speech was delivered outside of the Senate?

Mr. SHAFROTH. It was delivered at the conference of governors which met at Colorado Springs last week. The papers made considerable comment upon it, all of it favorable.

Mr. SMOOT. I have not any objection.

Mr. SHAFROTH. I ask unanimous consent that the address may be printed as a document.

The VICE PRESIDENT. If there be no objection, it will be printed as a public document. The Chair hears none.

The morning business is closed.

THE TARIFF.

Mr. STONE. I ask unanimous consent that House bill 3321 be now laid before the Senate and proceeded with.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. GALLINGER. Mr. President, during the somewhat protracted debate on the measure now under consideration I have frequently asserted that, in my judgment, the enactment of this bill will work irreparable injury to the industrial North, as well as to some other sections of the country, and I see no reason to change that opinion. The senior Senator from Kentucky [Mr. BRADLEY], in his very able speech of a few days ago, proposed an amendment to the title of the bill, which corresponds closely to a draft I had already prepared. My suggestion is that instead of the title being, as it now stands, "A bill to reduce tariff duties and to provide revenue for the Government," it should read "A bill to reduce tariff duties, to destroy American industries, and to provide employment for the laboring men and women of foreign countries." That, in my opinion, correctly describes what the proposed law will inevitably bring about, notwithstanding the proponents of the bill hold to the contrary.

AN EXTREME BILL.

This bill, upon which we shall soon vote, represents in an extreme form the economic principle which found its chief strength in this country in the agricultural, slave-holding South before the Civil War. Historically the main support of the tariff-for-revenue-only policy in America, from the first important development of that policy in the South Carolina struggle over nullification in 1832-33, has been in the southern cotton-growing States, and also in New York City and its neighborhood, where the influence of importers representing European manufacturers is powerful.

At no time in this generation has any great producing State of the industrial North stood long for the tariff-for-revenue-only system. New England, New York, New Jersey, Pennsylvania, Ohio, and the manufacturing States of the Middle West have since 1870, as a rule, upheld the protective policy, and if in some gust of passion they have rejected it, they have quickly and signally repented of their mistake.

It is no disparagement of the intelligence or patriotism of the South to hold that the great industrial North, where manufacturing and agriculture have long gone hand in hand, is in a better position to understand and determine what is the wisest economic policy for our Government than the Southern States, where agriculture, until a relatively few years ago, was the dominant and indeed almost the exclusive and only industry, and where manufacturing, though now of swift and splendid growth, is still, as it were, on the threshold of its development.

A VERY RADICAL PROPOSAL.

The distinguished chairman of the Committee on Ways and Means of the House of Representatives, at the last session of the Sixty-second Congress, in a report upon one of the schedules which in a still further reduced form is a part of the proposed majority tariff bill, described it—and the description holds true of the whole measure—"as providing a much lower margin, and hence a much more competitive rate, than has been passed by the House of Representatives or enacted in any other Democratic tariff measure since the tariff acts of 1846 and 1857." To the older industrial regions of our coun-

try this statement of Chairman UNDERWOOD brings not gratification but alarm, for that era between 1846 and 1861 covered the longest definite abandonment of the protective principle of tariff making in the whole history of the country, and marked in its culmination a period of grave industrial distress, due directly to a departure from the wise teachings of the fathers of our country.

It is a profoundly significant fact that the founders of this Nation, as well the leaders of what is now the Democratic as of the then Federal Party, were convinced and frank protectionists. This is true not only of Washington and Hamilton, but of Jefferson and Madison. The views of Hamilton, as set forth in his famous report on manufactures, are so well known that they need not be repeated here. Washington, in his last annual message to Congress, said:

Congress has repeatedly, and not without success, directed its attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuation of the efforts in every way which shall appear eligible.

Jefferson as President approved three successive tariff acts increasing protection to manufactures. In his message to Congress on December 15, 1802, he said:

To cultivate peace, maintain commerce and navigation, and protect manufactures adapted to our circumstances, etc., are the landmarks by which to guide ourselves in all our relations.

In 1809 Jefferson wrote to a friend:

I have lately inculcated the encouragement of manufactures to the extent of our own consumption, at least, in all the articles of which we raise the raw material.

Indeed, Jefferson, who is frequently spoken of in these days as the patron saint of the Democratic Party, carried his devotion to American industry so far as to express a wish that the Atlantic Ocean might be a lake of fire to exclude absolutely foreign goods. So positive were Jefferson's views upon the subject that Gen. Francis A. Walker, in "The Making of the Nation" series, declares that—

The fact is Mr. Jefferson was the most extravagant protectionist ever placed in a position importantly to influence trade and industry of a civilized nation.

THE FATHERS ALL PROTECTIONISTS.

Washington, Jefferson, and Madison all concurred and aided in the enactment of the first tariff law of the American Republic, the celebrated law approved July 4, 1789, the preamble to which declares that "Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States, and for the encouragement and protection of manufactures, that duties be laid," and so forth. That law of 1789 protected not only American manufactures but American ocean shipping. There was at that time no free-trade party in the United States, no party advocating a tariff for revenue only, no dogma such as is to be found in the Democratic national platform now that a tariff for revenue and protection is "unconstitutional." The men who made the Constitution knew best what the Constitution meant, and Washington knew what it meant when he signed the tariff act of 1789.

JACKSON A PROTECTIONIST.

Andrew Jackson knew the views and teachings of the men who laid broad and deep the foundations of our Government. Like his great predecessors, Jackson was an outspoken protectionist. He declared in his message of May 27, 1830:

The power to impose duties upon imports originally belonged to the several States. The right to adjust these duties with a view to the encouragement of domestic branches of industry is so completely identical with that power that it is difficult to suppose the existence of the one without the other. * * * In this conclusion I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of the right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

It was that same great Democrat who, as President, threatened to hang as high as Haman the men who in South Carolina sought to nullify a United States tariff law on the newly asserted idea, exploited for the first time in our national history, that protection to American industry was "unconstitutional." This was not originally the view of even John C. Calhoun himself, for Calhoun in his earlier career, like most of the other public men of his State, was a declared protectionist. It was not until the deplorable struggle over human slavery began to check the national spirit and arouse misunderstanding and enmity between the States that the dogma was held and avowed by any appreciable number of American citizens that the encouragement to manufactures, one of the specific purposes of our very first tariff law, was in violation of the fundamental law of the Republic.

It is interesting to note in this connection that Henry Clay, the great Whig leader, in a speech on American Industry, deliv-

ered in the House of Representatives March 30 and 31, 1824, said:

And what is this tariff? It seems to have been regarded as a sort of monster, huge and deformed; a wild beast endowed with tremendous powers of destruction about to be let loose among our people, if not to devour them, at least to consume their substance. But let us calm our passions and deliberately survey this alarming, this terrific thing.

How natural that sounds, notwithstanding the utterance was made 89 years ago. The similarity of the language used by the opponents of the 1824 bill, as quoted by Mr. Clay, and the utterances of Democratic Senators in this debate is significant and illuminating. Mr. Clay continued:

The sole object of the tariff is to tax the produce of foreign industry, with the view of promoting American industry. The tax is exclusively leveled at foreign industry. That is the avowed and the direct purpose of the tariff. If it subjects any part of American industry to burdens, that is an effect not intended, but is altogether incidental and perfectly voluntary.

That is good Republican doctrine from one of the ablest statesmen of his time.

SECTIONAL AGITATION.

Students of history well know that the persistent and costly agitation against the protective system, and in favor of a tariff for revenue only, is one of the heritages which the political contest over slavery has left to us. When raw cotton, raised by slave labor, first became the great southern staple, its principal market was in Great Britain, whose manufacturers believed in the first years of the last century that they had an inalienable right to the monopoly of the American market for manufactured articles—a right as inalienable, in their opinion, as the divine right of kings. It so happened that the great manufacturing States of the North—New England, New York, New Jersey, and Pennsylvania—were the principal seats of the antislavery agitation.

In the bitterness of sectional strife in Congress, southern sentiment turned more and more against the protective tariff legislation, which was steadily developing the resources of the manufacturing States through their abundance of free labor, the slave labor of the South being totally unfitted for employment in manufacturing. This sinister sectional division over the tariff question found its expression particularly through the Hon. George McDuffie, of South Carolina, who said:

I will now tell the gentleman from Massachusetts, if he will pardon the liberty, what is the natural price of the manufacturing labor of the Northern States estimated in money. It is precisely the same as the manufacturing labor of England and not a cent more. (Congressional Debates, vol. 8, p. 3827.)

Mr. Lewis, of Alabama, said on the same subject:

But for the operation of the tariff laws in enhancing the price of northern labor, the state of things would have been completely the reverse of what it now is, and a day's labor in the cotton field would have commanded two days of the northern manufacturing labor. (Congressional Debates, vol. 8, p. 3583.)

In other words, the animating motive of those who wished to abandon the protective-tariff policy of Washington, Jefferson, Madison, and Jackson and to force the country to a tariff-for-revenue-only basis was resentment of the fact that the protective tariff developed the North and greatly benefited its free labor. This historic truth is frankly stated by a southern scholar, E. N. Elliott, LL. D., in the publication entitled "Cotton is King," published in Atlanta, Ga., in 1860. Dr. Elliott said:

If they—

The southern cotton planters and the Democratic Party—could establish free trade, it would insure the American market to foreign manufacturers; secure the foreign market for their leading staple; repress home manufactures; force a large number of the northern men into agriculture; multiply the growth and diminish the price of provisions; feed and clothe their slaves at lower rates; produce their cotton for a third or fourth of former prices; rival all other countries in its cultivation; monopolize the trade in the article throughout the whole of Europe.

This is an easily understood program, the carrying out of which would forever have ended the manufacturing industries of the country. Think of it! Dr. Elliott declared that the policy he advocated would "insure the American market to foreign manufacturers." Unfortunately, the bill now under consideration strongly tends in that direction, and for that reason it ought to be unceremoniously rejected.

TARIFF-FOR-REVENUE-ONLY IN PRACTICE.

This unfortunate spirit of sectional jealousy actually triumphed in the tariff-for-revenue-only legislation of 1846, so earnestly advocated by Robert J. Walker, of Mississippi, Secretary of the Treasury, and so warmly praised by the Democratic Party. From this tariff of 1846 and its successor of 1857 all thought of protection was eliminated so far as possible. In some instances, for the more successful strangling of northern manufactures, the duty on the crude materials was set as high or actually higher than on the finished articles themselves, and

the same absurd fixing of rates is found in many instances in this bill. Of course, heavily increased importations of manufactured goods from Europe were the immediate result; and yet, an extraordinary series of fortuitous events deferred for a considerable time the sure and inevitable consequences of this ill-starred legislation.

First came the war with Mexico, which led to the expenditure in two years of \$150,000,000 among the people of the United States in various war disbursements. Then followed the famine in Ireland, with its extraordinary demand for our breadstuffs; the European revolutions of 1848 followed, which seriously disturbed continental industries; then in our own country the California gold discoveries came along; and subsequently, in Europe, the great Crimean War worked advantage to our country. Never was a time more propitious for the success of tariff-for-revenue-only legislation in America. But when conditions became normal this is what happened, as described by William McKinley in the publication entitled "The Tariff in the Days of Henry Clay and Since," pages 23-24:

Within a year after the close of the Crimean War the country was distressed and humiliated by the only financial panic it had experienced for 20 years since the adoption of a somewhat similar tariff policy to that it was then pursuing. The immediate effect was an increase in importations and a heavy drain upon the specie of the country, while there was a marked reduction in the exportation of our agricultural products. The panic soon swept over the entire Union, prostrating alike our agricultural, commercial, mining, and manufacturing interests.

PRESIDENT BUCHANAN'S LAMENT.

In his first annual message to Congress President Buchanan, on December 8, 1857, said:

In the midst of unsurpassed plenty in all the productions and elements of national wealth we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want.

That was the vivid picture drawn by a Democratic President of the final results of that earlier tariff-for-revenue-only experiment. President Buchanan, alarmed at the situation, appealed to Congress to adopt a new revenue measure "to increase the confidence of the manufacturing interests and give a new impulse to business," as the President tersely expressed it.

But President Buchanan's plea was in vain, for Congress was still controlled by men who had been taught that protection was against the interests of the South and slavery and beneficial to the free labor of the Northern States. They did not abandon their cherished policy, although it had plunged the country into ruin, and the immediate repeal of the low-tariff law was demanded by the Executive whom they themselves had elected to the Presidency.

In the 15 years from 1847 to 1861, inclusive—

Wrote William McKinley—

during which the economic theories of Mr. Walker prevailed, the total receipts from customs were \$708,107,973, while the outlays of the Government were \$807,133,078. Consequently the expenditures exceeded the receipts by \$99,025,105. Thus, as strictly revenue measures, the laws of 1846 and 1857 were both unsatisfactory. (The Tariff in the Days of Henry Clay and Since, p. 26.)

The result of these nonprotective-tariff laws was all the more significant because they had been tried under most favorable conditions. President McKinley, in the historical work already quoted (pp. 27-28), said on this point:

Never was there a period in our history in which the free-trade policy had so excellent an opportunity to demonstrate its usefulness and adequacy to our industrial and governmental conditions. But, instead of insuring prosperity it produced universal distress and want; instead of raising money to support the Government, even during a period of peace and wonderful development, the system of duties it provided was utterly insufficient and produced results exactly the opposite of those claimed for it. As soon as the foreign wars ceased the revenue began to diminish and the expenditures to exceed it, thus creating deficiencies and forcing loans and increasing our national debt from \$15,500,000 in 1846 to \$90,580,000 on March 4, 1861.

THE RETURN TO PROTECTION.

This was the handiwork of men who, after most of those who had framed the Constitution were dead, had invented the idea that a tariff which combined revenue and protection was unconstitutional. Those men had broken faith with the fathers of the Nation and had tried to foist upon the country a dogma of State sovereignty and the doctrine of a tariff-for-revenue-only, which the earlier statesmen abhorred. A radical change and a return to the historic policy of tariff for both revenue and protection waited only for the breaking of the power of the southern Democracy in Congress. By 1860 the House of Representatives came into the control of men who were either Republicans outright or were in sympathy with the Republican faith upon the tariff.

On May 10, 1860, nearly a year before the Civil War began, the first Morrill protective tariff act increasing the duties and also increasing the revenue was passed by the House as an economic and financial measure, a frank repudiation of the

tariff-for-revenue-only policy. This was not in any proper sense a war measure. It can not be affirmed too strongly or too constantly that the abandonment of the southern Democratic policy as we now know it was due not to any anticipation of the Civil War or to any consequences of the Civil War, but to the bankruptcy to which free trade had brought the Nation, and the ruin and distress into which it had plunged our manufacturers and farmers in its culminating years from 1857 to 1860. Nothing is more manifest from all the records of history than that the country would have returned to the protective system of Washington, Hamilton, Madison, Monroe, and Jackson in 1860, even if there had been no Civil War.

The tariff-for-revenue-only scheme had utterly failed by 1860, and had confounded and discredited its authors quite as signally and even more quickly than that later experiment of the same kind in the years between 1894 and 1897.

It was absolutely inevitable that when the great industrial North, with its free labor, wrested from the South, with its slave labor, the control of the National Government the overwhelming protectionist sentiment of the North should write its convictions upon the national statute books. So long as the Senate remained Democratic the first Morrill protective tariff bill, which had passed the House of Representatives on May 10, 1860, could not be enacted, notwithstanding President Buchanan had implored Congress to grant our distressed people this prompt and merciful relief. But in the session of 1860-61 so many Southern Senators had withdrawn from Congress to "go with their States" that control of the Senate was secured by the Republicans, and on February 20, 1861, the Morrill protective tariff bill was passed and soon after signed by President Buchanan, who thus made conspicuous reparation for the terrible wrong which his party and its mistaken policy of tariff-for-revenue-only had done to the American people.

LINCOLN A PROTECTIONIST.

On March 4, 1861, there was inaugurated as President a firm protectionist, Abraham Lincoln, all his life a believer in and advocate of the protective-tariff policy. Lincoln had summed up his economic faith in these simple words, which have been often quoted:

I do not know much about the tariff, but I know this much: When we buy manufactured goods abroad we get the goods and the foreigner gets the money. When we buy the manufactured goods at home we get both the goods and the money.

And this is the platform on which Lincoln stood in 1860 when he was elected President:

While providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country. We commend therefore that policy of national exchanges which secures to the workingman liberal wages, to agriculture remunerative prices, to mechanics and manufacturers adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

In these significant words was embodied the national spirit, as Washington, Hamilton, Jefferson, Madison, Monroe, and Jackson knew, taught, and enforced it. The great industrial States, whose multitudes of free laborers had again become the dominant force under Lincoln in the National Government, would have nothing of the sectional dogma that national protection to labor and industry was "unconstitutional."

THE REAL AMERICAN SPIRIT.

This renewed national spirit found immediate expression everywhere in the policy of the Lincoln administration. On January 29, 1862, a most important War Department order was issued, which proclaimed:

That no further contracts be made by this department or any bureau thereof for any article of foreign manufacture that can be produced in the United States.

All outstanding orders, agencies, authorities, or licenses for the purchase of arms, clothing, or anything else, in foreign countries or of foreign manufacture for the department are hereby revoked and annulled.

This great measure of protection, self-reliance, and self-defense was a logical, thoroughly characteristic part of the new national policy of Lincoln. It was just what Washington or Jefferson would have done under similar circumstances. In connection with the protective-tariff policy to strengthen our national industries once more thoroughly established, the results were like a new declaration of independence on land and sea. Hon. William D. Kelley, one of the ablest and most eloquent of the leaders in Congress, on January 31, 1866, thus described the change that had come over the country as a consequence of the fiscal policy of the Republican Party:

When the war began we could not have made the iron for the gun barrels; we can now export better gun barrels than we can import. We then made no steel, and had to rely on foreign countries for material for steel cannon and those steel-pointed shot by which alone we can pierce the ironclads with which we must contend in future warfare. Many of our regiments that came first to the Capital came in rags,

though every garment on their backs was new and many of them of freshly imported cloth.

But no army in the world was ever so substantially clothed and armed as that which for two days passed in review before the President of the United States and the Lieutenant General after having conquered the rebellion—an army which, when disbanded, was clad in the product of American spindles and looms and armed with weapons of American materials and construction.

That is exactly what the protective-tariff system in the time of Washington and Jefferson, and also in the time of Lincoln accomplished, and what it inevitably will accomplish whenever given an opportunity. It makes everywhere and always for national independence. To one conspicuous national industry in our time—our ocean shipping industry—the principle of protection has not been applied, and the result is that we are absolutely dependent for the carrying of more than 90 per cent of our own imports and exports on ships of foreign flags, owned and controlled by the subjects of foreign Governments, our rivals in trade and possible enemies in war. To these foreign ship-owners, now organized into arrogant trusts and combinations, as investigations by Congress and the Federal courts have lately proved, we are paying every year a vast tribute of between \$200,000,000 and \$300,000,000. Without protection to this once great national industry, which was thoroughly protected under Washington and Jefferson, we are so destitute of ships sailing away from our own coasts that the American people still recall with smarting humiliation how their battleship fleet in its recent voyage around the world was enabled to make that voyage only by the help of an uncertain fleet of Dutch, Italian, Scandinavian, and British colliers.

A REVIVAL OF ERROR.

Passing from history to the present, I cheerfully acknowledge that the authors of the present Democratic tariff proposal are able, sincere, and patriotic men—as able, sincere, and patriotic as their predecessors, the authors of the unfortunate tariffs of 1846 and 1857, who proved to be so terribly mistaken. The statesmen of that era before the Civil War, who framed the Walker tariff and its immediate successor, did not and could not, in their agricultural environment, understand the complex financial and industrial needs of the American Nation so well as the public men from the great States between New England and Illinois who, with Lincoln, succeeded to the control of the Government in 1861.

The authors of the bill now proposed, reestablishing the policy of tariff-for-revenue only, are more fortunate than their predecessors in that the industrial North is to-day prosperous under Republican laws, and the smoke of factory chimneys is no longer almost unknown in the South. Their honesty of purpose and love of country no man will impeach. Patriotism in our time, in our Nation—thank God!—knows no North or South or East or West. But with full acknowledgment of the sincere motives of those who have framed and are upholding this bill we can not but believe on this side of the Chamber that events will swiftly and conclusively prove them to be as mistaken as their predecessors were.

There is far less justification now for a tariff-for-revenue-only policy in this country than there was in 1846 and 1857. A protective-tariff policy can no longer be accused of being narrowly sectional in its benefits. Manufactures are rapidly spreading all over the United States, including the South. There is no more slave labor, but free labor everywhere. Among the most earnest remonstrants against this present radical tariff bill are the farmers of the Mississippi Valley and the great Northwest, who see their staple products sharply reduced or bodily transferred to the free list, and that at a time when domestic consumption is rapidly overtaking domestic production. The recent fight of the West and Northwest against the so-called Canadian reciprocity agreement was one of the most significant demonstrations of the strength of the protectionist sentiment in America of which history has any record. Those western and northwestern farmers who justly opposed that unfortunate, one-sided "reciprocity" proposal were unwilling to accept practical free trade even with our Canadian neighbors, who of all the people in the world, in their wages and general standards of living, are most nearly equal to our own. When those far western farmers so unitedly opposed free trade with Canada, our neighbor to the north, they gave an emphatic vote of instruction to their Senators and Representatives in Congress never to subject either American agriculture or American manufactures to free trade with all the world.

TARIFF-FOR-REVENUE-ONLY A MINORITY POLICY.

It has already been clearly pointed out by other Senators in the course of this debate that a very large majority of the American people in the recent national election declared in favor of a combined tariff-for-revenue-and-protection principle as against a tariff-for-revenue only. The united vote of the

Republican and Progressive Parties, both of whose national platforms affirmed a belief in a tariff for protection of American labor as well as for national revenue, commanded more than one million majority over the Democratic vote, which, only because of a deplorable break in the protectionist ranks, was enabled to make Mr. Wilson President. Moreover, there can be no question that in nearly all the Northern States many voters cast a Wilson ballot for other reasons than approval of a tariff-for-revenue-only policy or of the candidate himself. All over the North—and the same thing is doubtless true of the South—there are thousands of business men who, though acting with the Democratic Party, are in principle protectionists, like the Democratic governor of Massachusetts, who has pronounced severe condemnation on the pending bill.

THE SOUTHERN VIEW.

Disclaiming all purpose of raising the sectional issue in what I have already said I will, nevertheless, take occasion to further suggest that the condition to-day clearly illustrates the determination of the South so to reduce import duties as to do away altogether with protection to the industries of the United States. It is not a new question. From the days of Democratic nullification in South Carolina, more than 80 years ago, to the present time the South has clamored for practical free trade, and has never failed to denounce protection when opportunity presented itself. It will be recalled that the Confederate constitution contained the following free-trade provision:

SEC. 8. The Congress shall have power—

1. To lay and collect taxes, duties, imposts, and excises for revenue necessary to pay the debts, provide for the common defense, and carry on the Government of the Confederate States; but no bounties shall be granted from the treasury; nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry; and all duties, imposts, and excises shall be uniform throughout the Confederate States.

That was the declaration of the Confederate States on the question of the tariff—a declaration in favor of absolute and unrestricted free trade between the Confederacy and all the nations of the earth. The laws enacted by the Confederate Congress were along the same line, committing the Confederacy absolutely and without qualification to the free-trade theories that had dominated the South up to that time, and which unfortunately find expression in the bill now before the Senate.

WOODROW WILSON AND THE TARIFF.

In this connection it is significant that in 1882 Mr. Woodrow Wilson, a southern man, appeared before the Tariff Commission at Atlanta, Ga., to give testimony on tariff matters, on which occasion he used the following words:

It is not my purpose to represent or advocate any particular interest, but only to say a few words upon the general issues before you on the subject of protection or free trade. This question of the tariff is one which has been under consideration in Congress for ninety-odd years. Early in the century protection was introduced for the purpose of fostering new manufactures in this country. That system was continued down to the time of the war; but since the war it has been upheld professedly for the purpose of raising revenue and to enable the Government to recover from the indebtedness caused by the war. Free trade therefore has been a slumbering question, but it will soon become one of the leading questions in all political discussions, because, now that peace has come, the people of the South will insist upon having the fruits of peace and not being kept down under the burdens of war.

It is an interesting fact that Mr. Wilson, at that time a comparatively young man, declared that free trade was a slumbering question, and that the people of the South would insist upon getting rid of protection. He is now President of the United States, and it is not to be wondered at that the declaration then made is still in his mind. Declaring that no man with his senses about him would recommend perfect freedom of trade in the sense that there should be no duties whatever laid on imports, Mr. Wilson added:

The only thing that free traders contend for is that there shall be only so much duty laid as shall be necessary to defray the expenses of the Government, reduce the public debt, and leave a small surplus for accumulation—

which manifestly meant that no duties whatever should be laid for the purpose of equalizing the cost of production at home and abroad so as to protect American manufactures and labor against the cheap labor of foreign countries. He further maintained that—

Manufacturers are made better manufacturers whenever they are thrown upon their own resources and left to the natural competition of trade.

In answer to the question from Commissioner Garland, "Are you advocating the repeal of all tariff laws?" Mr. Wilson made the following astonishing reply:

Of all protective tariff laws; of establishing a tariff for revenue merely. It seems to me very absurd to maintain that we shall have free trade between different portions of this country and at the same time shut ourselves out from free communication with other producing countries of the world. If it is necessary to impose restrictive duties on goods brought from abroad, it would seem to me, as a matter of logic, neces-

sary to impose similar restrictions on goods taken from one State of the Union to another. That follows as a necessary consequence; there is no escape from it.

Equally astonishing was the following declaration:

Protection also hinders commerce immensely. The English people do not send as many goods to this country as they would if the duties were not so much, and in that way there is a restriction of commerce, and we are building up manufactories here at the expense of commerce. We are holding ourselves aloof from foreign countries in effect and saying, "We are sufficient to ourselves; we wish to trade not with England, but with each other." I maintain that it is not only a pernicious system, but a corrupt system.

Passing over the remarkable suggestion that if we have tariff laws between this country and other countries, we ought equally to have them between the several States, where industrial conditions and wages are similar, it goes without the saying that if we enter into free and open competition with the nations of the world England will send more goods to this country than she will if import duties are exacted from her. Indeed, it does not require any stretch of the imagination to conclude that under such conditions England, France, and Germany will supply us with everything that we consume. Why not? And yet this economist, who is now President of the United States, openly declared that the hindrance that protection offers to commerce should be removed so that the English people could send more goods to this country, supplanting American manufactures, thus depriving American workmen of a livelihood.

I hope President Wilson is now ready to repudiate the utterances of Prof. Wilson, but I fear that Ephraim is wedded to his idols, and that the same views are held in 1913 as were expressed in 1882.

Turning to Prof. Wilson's History of the American People, a most readable book, it is interesting to note what he had to say about the panic of 1893, during the period of the Wilson-Gorman low-tariff law. These are his words:

The business of the country had fallen dull and inactive because of the financial disquietude of the time. A great poverty and depression had come upon the western mining regions and upon the agricultural regions of the West and South. * * * Men of the poorer sort were idle everywhere, and filled with a sort of despair. All the large cities and manufacturing towns teemed with unemployed workmen who were with the utmost difficulty kept from starvation by the systematic efforts of organized charity. In many cities public works were undertaken upon an extensive scale to give them employment. In the spring of 1894 armies of the unemployed began to gather in the western country for the purpose of marching upon Washington, like mendicant hosts, to make known to the Government itself, face to face, the wants of the people. * * * Countrysides experienced a sort of panic at their approach. It began to seem as if there were no law, or order in the land. Society itself seemed demoralized, upset. * * *

Prof. Wilson continues:

The elections of 1896 had shown, in a fashion the country was not likely to forget, the volcanic forces which had been kept just beneath the surface while he (Cleveland) was President. The issue which had dominated all the rest was the question of the coinage. But that question did not stand alone. It seemed, indeed, but a single item in the agitated thought of the time. Opinion everywhere seemed to have broken from its old moorings. There had been real distress in the country, long continued, hopeless, as if the springs of wealth and prosperity were dried up. The distress was most marked and apparently most hopeless in the great agricultural areas of the South and West. The prices of agricultural products had fallen so low that universal bankruptcy seemed to the farmers to be but a little way off. There was a marked depression in all kinds of business, as if enterprise were out of heart and money nowhere to be had except among a few great capitalists in Wall Street. * * *

No one could deny that the country had fallen upon evil times, that the poor man found it harder than ever to live, and that many a law needed to be looked into which put the poor at a disadvantage. The country teemed with men who found themselves handicapped in all they tried to do; they could but conjecture why.

After describing the election of President McKinley, Prof. Wilson further says:

Obviously the business world, the whole world of industry, was in process of revolution. America in particular had come to the crisis and turning point of her development. Until now she had been struggling to release and organize her resources, to win her true economic place in the world. Hitherto she had been always a debtor nation, her instruments of industry making and to be made, her means of transportation, the vast systems of steel highways which were to connect her fields and factories with the markets of the world, as yet only in course of construction. * * * Except what her fields produced, the country had as yet but little with which to pay the interest and the capital of her debts; her fields were in some sense the granary of the world. As agricultural prices fell it required more and more foodstuffs to pay her balances. In those fatal years of depression, 1893-1896, when business threatened to stand still, because of the state of the currency, and the crops fetched little more than would pay for their carriage, it was necessary to pay huge foreign balances in coin, and \$87,000,000 in gold had to be shipped over sea to the country's creditors in a single twelve-month (1893). * * *

Now listen to this remarkable statement by Prof. Wilson:

Not until the very year 1897, when the new Republican administration came in, did the crisis seem to be past. The country had at last built its railway and manufacturing systems up, had at last got ready to come out of its debts, command foreign markets with something more than its foodstuffs, and make for itself a place of mastery.

It is proper for me to observe that Prof. Wilson claimed that the condition of things existing during the last Cleveland admin-

istration was largely due to the agitation of the silver question and to a partial failure of crops in the agricultural regions of the West and South, but that contention is not sustained by facts. He might well have added that the change in 1897 for the better, which he so graphically described, came because McKinley's election assured the country that a protective-tariff law would be passed to take the place of the Wilson-Gorman tariff law then on the statute books. It was that fact that gave heart to the industries of the country, rescuing them from the sad plight that had overtaken them during the Cleveland administration.

A HARD BLOW TO NEW ENGLAND.

Mr. President, this bill strikes a hard blow to the industries of the New England States, which produce more than one-half the boots and shoes of the Nation and more than one-half the cotton, worsted, woolen, and felt goods output. New England also leads the Nation in the fishing industry and in the production of watches and clocks, hardware, cutlery, and tools; has the largest woolen mills, shoe, watch, and confectionery factories in the world; has 42.1 per cent of the manufacturing establishments of the country which employ 500 or more employees each, and has nearly four times the density of population that is an average for the rest of the United States.

The Boston Globe, a Democratic newspaper, has collected the following interesting statistics, as shown by the United States census for 1910, covering the six New England States:

Maine's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1900	1904	1890	1904-1900	1890-1904
Number of establishments	3,546	3,145	2,878	12.8	9.3
Persons engaged in manufactures	88,476	82,109	(¹)	7.8	.....
Proprietors and firm members	3,661	3,379	(¹)	8.3	.....
Salaried employees	4,860	3,772	3,103	28.8	21.6
Wage earners (average numbers)	79,955	74,958	69,914	6.7	7.2
Primary horsepower	459,599	343,627	259,232	33.7	32.6
Capital	\$202,260,000	\$143,708,000	\$114,008,000	40.7	26.0
Expenses	\$154,821,000	\$129,208,000	\$97,520,000	19.8	32.5
Services	\$43,429,000	\$36,681,000	\$28,782,000	18.4	20.7
Salaries	\$5,797,000	\$3,989,000	\$3,051,000	45.3	30.4
Wages	\$37,632,000	\$32,692,000	\$25,731,000	15.1	27.1
Materials	\$97,101,000	\$80,042,000	\$61,210,000	21.3	30.8
Miscellaneous	\$14,291,000	\$12,485,000	\$7,528,000	14.5	65.8
Value of products	\$176,029,000	\$144,020,000	\$112,959,000	22.2	27.5
Value added by manufacture	\$78,928,000	\$63,978,000	\$51,749,000	23.4	23.6

¹ Figures not available.

Population in 1910, 742,371, an increase of 47,905 in the last decade. Increase from 1904 to 1909 in number of spindles in textiles 154,594, or 14.7 per cent. Increase in looms 2,473, or 8.8 per cent.

In 1899 Maine produced 217,281 tons of paper; in 1904 the product was 385,909 tons, and in 1909 it was 574,215 tons. The value of this paper product in 1904 was \$17,480,168, an increase over 1899 of 86.1 per cent, and in 1909 the value of the paper product was \$27,637,697, an increase over 1904 of 58.1 per cent.

In the lumber industry there was a gain of 41.7 per cent in the decade in the rough lumber sawed, a gain of 55.1 per cent in the production of lath, and a gain of 28.4 per cent in the production of shingles.

Maine's canning industry shows an increase from 1904 to 1909 of 90.4 per cent.

The value of farm property increased 62.8 per cent.

Specific industries in Maine.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904-1900	1890-1904	1904-1900	1890-1904
Paper and wood pulp	8,647	\$33,950,000	\$13,446,000	47.9	73.6	48.0	48.8
Lumber and timber products	15,086	20,125,000	15,195,000	22.4	39.5	22.3	63.8
Cotton goods and cotton small wares	14,634	21,932,000	10,542,000	42.4	5.3	69.1	-17.9
Boots and shoes, cut stock and findings	6,626	15,509,000	5,568,000	23.0	1.4	33.4	4.7
Bread and other bakery products	586	2,235,000	807,000	50.1	23.6	31.9	9.1
Cars and railroad general shop construction	1,200	2,048,000	849,000	72.1	38.9	68.1	36.9
Confectionery	214	711,000	375,000	43.1	67.3	93.3	39.6
Glucose and starch	120	687,000	212,000	31.1	-5.8	32.5	-18.8
Boxes, fancy and paper	280	304,000	179,000	28.8	3.5	37.7	19.3

Massachusetts' industrial progress.

Manufactures.	Number or amount.			Per cent of increase.	
	1900	1904	1890	1904-1900	1890-1904
Number of establishments	11,684	10,723	10,029	9.0	-1.9
Persons engaged in manufactures	644,399	532,481	(¹)	21.0	.....
Proprietors and firm members	11,194	11,258	(¹)	-6	.....
Salaried employees	48,646	32,324	25,256	48.2	30.0
Average number of wage earners	584,559	488,399	438,234	19.7	11.4
Primary horsepower	1,175,071	938,007	796,061	25.3	17.8
Capital	\$1,279,687,000	\$965,949,000	\$781,898,000	32.5	23.5
Expenses	\$1,320,866,000	\$992,294,000	\$785,805,000	33.1	26.3
Services	\$364,452,000	\$272,044,000	\$224,758,000	34.0	21.0
Salaries	\$63,279,000	\$39,655,000	\$29,480,000	59.6	34.5
Wages	\$301,173,000	\$232,389,000	\$195,278,000	29.6	19.0
Materials	\$830,765,000	\$626,410,000	\$498,655,000	32.6	25.6
Miscellaneous	\$125,649,000	\$93,840,000	\$62,392,000	33.9	50.4
Value of products	\$1,490,529,000	\$1,124,092,000	\$907,626,000	32.6	23.8
Value added by manufacture	\$659,764,000	\$497,682,000	\$408,971,000	32.6	21.7

¹ Figures not available.

Population in 1910, 3,266,416, or 418 per square mile. From 1849 to 1909 the value of manufactured products increased tenfold. Two hundred and ninety-three industries have products valued at \$1,000,000 or more; 4 of these have products of \$50,000,000, 6 have products of \$25,000,000, 16 have products of \$10,000,000. The Massachusetts fishing industry products exceed \$7,000,000 a year.

Specific industries in Massachusetts.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904-1900	1890-1904	1904-1900	1890-1904
Boots and shoes	83,063	\$236,343,000	\$83,353,000	36.1	23.0	32.2	33.7
Cotton goods	104,914	186,462,000	81,305,000	43.4	17.0	63.3	-12.2
Woolen and worsted	53,873	141,967,000	53,991,000	42.9	34.1	47.8	26.2
Foundry and machine shop products	44,179	86,926,000	55,744,000	36.4	.4	41.8	1.4
Printing and publishing	17,532	47,445,000	34,564,000	20.8	11.8	21.9	8.3
Slaughtering and meat packing	3,325	44,403,000	5,517,000	16.8	17.5	33.6	10.1
Paper and wood pulp	12,848	40,097,000	17,747,000	25.3	44.6	26.2	37.6
Leather, tanned, curried, and finished	10,252	40,002,000	11,236,000	19.9	27.9	9.0	64.4
Electrical machinery, app. and supplies	14,507	28,143,000	15,408,000	77.2	51.4	80.0	63.3
Bread and other bakery products	6,697	26,146,000	10,419,000	40.1	21.0	31.2	12.2
Jewelry	7,423	15,211,000	9,632,000	51.0	-2.2	51.9	7.3
Automobiles, including bodies and parts	4,138	11,350,000	5,808,000	326.5	246.3	320.6	201.9

New Hampshire's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1900	1904	1890	1904-1900	1890-1904
Number of establishments	1,961	1,618	1,771	21.2	8.6
Persons engaged in manufactures	84,191	69,758	(¹)	20.7	.....
Proprietors and firm members	2,014	1,726	(¹)	15.7	.....
Salaried employees	3,519	2,666	2,668	32.0	28.9
Wage earners (average numbers)	78,658	65,366	67,646	20.3	3.4
Primary horsepower	293,991	218,344	200,975	34.6	8.6
Capital	\$139,990,000	\$109,495,000	\$92,146,000	27.8	18.8
Expenses	\$149,215,000	\$112,888,000	\$94,365,000	32.2	19.6
Services	\$40,391,000	\$30,665,000	\$28,050,000	31.7	9.3
Salaries	\$4,191,000	\$2,972,000	\$2,200,000	41.0	35.1
Wages	\$36,200,000	\$27,693,000	\$25,850,000	30.7	7.1
Materials	\$98,157,000	\$73,216,000	\$60,163,000	34.1	21.7
Miscellaneous	\$10,667,000	\$9,007,000	\$6,152,000	18.4	46.4
Value of products	\$164,581,000	\$123,611,000	\$107,591,000	33.1	14.9
Value added by manufacture	\$66,424,000	\$50,395,000	\$47,428,000	31.8	6.3

¹ Figures not available.

The value of New Hampshire's manufacturing products show a six-fold increase from 1849 to 1909. For the last decade the industries show a net increase of 10.7 per cent in number of establishments, 16.3 per cent increase in the number of wage earners, 53 per cent increase in value of products, and 40.1 per cent increase in value added by manufacture.

There were only 571 wage earners in the tobacco industry of New Hampshire in 1909; but to-day there is double that number, and the business has increased in like proportion.

In the last decade the value of the live stock on farms increased 12.8 per cent, value of poultry increased 39 per cent, value of crops increased 30.2 per cent.

Specific industries in New Hampshire.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904-1909	1899-1904	1904-1909	1899-1904
Boots and shoes, cut stock and findings...	14,211	\$39,440,000	\$11,225,000	72.7	-3.9	58.4	0.5
Cotton goods and cotton small wares...	22,290	33,602,000	14,478,000	13.7	28.4	31.1	.1
Woolen, worsted, felt goods and wool hats...	9,486	16,731,000	5,636,000	17.1	(¹)	17.3	(¹)
Lumber and timber products...	8,464	15,284,000	8,021,000	32.1	-.2	27.9	-6.9
Paper and wood pulp...	3,413	13,994,000	4,741,000	56.7	23.3	31.6	9.4
Foundry and machine shop products...	2,396	4,947,000	3,248,000	52.5	-6.5	56.8	.7
Marble and stone work...	1,527	1,818,000	1,520,000	50.9	11.6	64.5	16.7
Bread and other bakery products...	454	1,683,000	628,000	56.6	28.9	48.5	10.2
Tobacco manufacture...	571	1,260,000	574,000	119.3	3.6	85.8	12.8
Hosiery and knit goods...	3,129	4,764,000	2,128,000	19.9	(¹)	21.9	(¹)

¹ Comparable figures unobtainable.

Vermont's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904-1909	1899-1904
Number of establishments...	1,958	1,699	1,938	15.2	-12.3
Persons engaged in manufacturing...	38,580	37,045	(¹)	4.2	.....
Proprietors and firm members...	2,113	1,856	(¹)	13.8	.....
Salaried employees...	2,679	2,053	1,695	30.5	21.1
Wage earners (average number)...	33,788	33,106	23,179	2.1	17.5
Primary horsepower...	159,445	140,616	126,124	13.4	11.5
Capital...	\$73,470,000	\$62,659,000	\$43,500,000	17.3	44.0
Expenses...	\$59,851,000	\$54,677,000	\$42,867,000	9.5	27.6
Services...	\$20,075,000	\$17,324,000	\$13,038,000	15.9	32.9
Salaries...	\$2,803,000	\$2,103,000	\$1,611,000	33.3	30.5
Wages...	\$17,272,000	\$15,221,000	\$11,427,000	13.5	33.2
Materials...	\$34,823,000	\$32,430,000	\$26,385,000	7.4	22.9
Miscellaneous...	\$4,933,000	\$4,923,000	\$3,444,000	6.4	42.9
Value of products...	\$68,310,000	\$63,084,000	\$51,515,000	8.3	22.5
Value added by manufacture...	\$33,487,000	\$30,654,000	\$25,130,000	9.2	22.0

¹ Figures not available.

From 1849 to 1900 the value of manufactured products of Vermont increased nearly eightfold, and from a per capita rate of \$27 to \$192.

In the last decade the value of the butter, cheese, and condensed milk industry products increased 43.4 per cent.

In the last decade the number of spindles in the woolen and worsted mills grew from 37,460 to 51,404; the number of looms increased from 775 to 1,297.

From 1904 to 1909 the gas illuminating and heating industry showed a growth of 115.5 per cent in value of products, and an increase of 35.6 per cent in value added by manufacture.

Vermont leads the country in the products of her marble and her granite industries.

Of the land area of the State 79.9 per cent is in farms. In the decade to 1910 the value of all farm property increased \$38,948,301, or 34.1 per cent.

Specific industries in Vermont.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904-1909	1899-1904	1904-1909	1899-1904
Marble and stone work...	10,411	\$12,395,000	\$9,877,000	29.5	50.0	30.6	68.0
Flour mill and gristmill products...	156	4,133,000	605,000	28.9	15.7	81.1	-30.8
Cars and railroad shop, general construction...	992	1,135,000	606,000	32.0	4.2	25.5	1.7
Bread and other bakery products...	242	694,000	370,000	90.2	19.7	66.7	5.2
Cooperage and wooden goods...	635	693,000	453,000	55.7	178.1	53.6	183.7
Canning and preserving...	118	330,000	116,000	168.3	-40.6	93.3	-39.4
Printing and publishing...	666	1,039,000	789,000	11.5	17.7	13.4	15.6
Agricultural implements...	300	582,000	310,000	31.7	19.5	28.2	28.2
Confectionery...	145	356,000	142,000	44.7	-.8	29.1	-20.3

Rhode Island's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904-1909	1899-1904
Number of establishments...	1,951	1,617	1,678	20.7	-3.6
Persons engaged in manufacturing...	122,641	104,299	(¹)	17.6	.....
Proprietors and firm members...	1,721	1,516	(¹)	10.2	.....
Salaried employees...	7,382	5,420	4,022	36.2	34.8
Wage earners (average number)...	113,538	97,318	88,197	16.7	10.3
Primary horsepower...	226,740	182,608	153,619	24.2	18.9
Capital...	\$290,901,000	\$215,901,000	\$176,902,000	34.7	22.0
Expenses...	\$242,264,000	\$177,649,000	\$140,347,000	36.4	26.6
Services...	\$65,811,000	\$50,154,000	\$41,296,000	31.2	21.4
Salaries...	\$10,577,000	\$7,041,000	\$5,301,000	50.3	32.8
Wages...	\$55,234,000	\$43,113,000	\$35,995,000	28.1	19.8
Materials...	\$158,192,000	\$112,872,000	\$87,952,000	40.2	28.3
Miscellaneous...	\$18,261,000	\$14,623,000	\$11,099,000	24.9	31.8
Value of products...	\$280,344,000	\$202,110,000	\$165,550,000	38.7	22.1
Value added by manufacture...	\$122,152,000	\$89,238,000	\$77,598,000	36.9	15.0

¹ Figures not available.

In 1904 Rhode Island had 41 manufacturing establishments, turning out products of \$1,000,000 or over. In 1909 there were 69 establishments doing that amount of business.

While the smallest State in the country, Rhode Island in 1909 ranked third in the production of woolen and worsted goods, fourth in the production of cotton goods, sixth in the production of silk goods, and eleventh in the production of hosiery and knit goods.

From 1904 to 1909 the number of spindles in operation increased 347,022, or 13.9 per cent; the number of looms increased 17,263, or 27 per cent; the number of knitting machines increased 499, or 42.6 per cent; the number of combing machines increased 167, or 58.8 per cent. In 1910 the population was 542,610, a gain of 26.6 per cent.

Specific industries in Rhode Island.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904-1909	1899-1904	1904-1909	1899-1904
Woolen, worsted, felt goods, and wool hats...	24,924	\$74,600,000	\$23,575,000	41.7	36.1	41.1	21.1
Cotton goods and cotton small wares...	28,786	50,313,000	24,912,000	45.5	30.8	67.1	1.1
Jewelry...	9,511	20,685,000	10,897,000	43.3	9.1	40.2	10.2
Foundry and machine-shop products...	10,937	20,612,000	12,568,000	45.2	4.4	37.2	14.5
Electrical machinery, appliances and supplies...	1,601	6,410,000	1,815,000	17.9	6.3	28.0	45.0
Slaughtering and meat packing...	214	3,156,000	362,000	18.8	2.3	32.6	-9.6
Silk, silk goods, and throwsters...	1,685	4,584,000	1,396,000	79.3	95.0	62.3	74.8
Enameling and japanning...	615	570,000	424,000	68.6	27.5	53.6	36.6
Tobacco manufactures...	268	537,000	341,000	50.0	22.2	52.9	10.9
Malt liquors...	450	3,579,000	2,391,000	30.6	45.7	18.5	41.3

Connecticut's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904-1909	1899-1904
Number of establishments...	4,251	3,477	3,382	22.3	2.8
Persons engaged in manufacturing...	233,871	198,046	(¹)	18.1	.....
Proprietors and firm members...	3,468	2,918	(¹)	18.8	.....
Salaried employees...	19,611	13,523	9,258	45.0	46.1
Wage earners (average number)...	210,792	181,605	159,733	16.1	13.7
Primary horsepower...	400,275	304,204	256,331	31.6	18.7
Capital...	\$517,547,000	\$373,284,000	\$290,207,000	38.6	24.8
Expenses...	\$429,904,000	\$328,610,000	\$274,170,000	30.8	19.9
Services...	\$135,756,000	\$104,083,000	\$85,149,000	29.3	23.3
Salaries...	\$25,637,000	\$17,040,000	\$11,755,000	50.5	45.0
Wages...	\$110,119,000	\$87,943,000	\$73,394,000	25.2	19.8
Materials...	\$257,250,000	\$191,302,000	\$169,672,000	34.5	12.7
Miscellaneous...	\$36,889,000	\$32,325,000	\$19,349,000	14.1	67.1
Value of products...	\$490,272,000	\$369,082,000	\$315,106,000	32.8	17.1
Value added by manufacture...	\$233,013,000	\$177,780,000	\$145,434,000	31.1	22.2

¹ Figures not available.

Population in 1910, 1,114,750, a gain of 206,336 over 1900. Connecticut leads the country in the value of products of her gold and silver refineries.

Connecticut leads the country in brass and bronze products with 44.6 per cent of the national total.

Connecticut leads the country in production of firearms and ammunition.

Specific industries in Connecticut.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904-1909	1899-1904	1904-1909	1899-1904
Brass and bronze products.....	16,817	\$66,933,000	\$19,069,000	24.1	9.9	19.2	28.5
Foundry and machine-shop products.....	37,736	65,535,000	40,715,000	46.2	12.0	38.2	21.1
Cotton goods and small wares.....	14,360	24,232,000	12,272,000	31.5	19.0	49.3	3.4
Silk, silk goods and throwsters.....	8,703	21,063,000	9,229,000	34.8	26.2	41.4	26.0
Woolen, worsted, felt goods, and wool hats..	7,789	19,363,000	6,525,000	25.1	22.5	20.6	14.8
Automobiles, bodies and parts.....	3,815	11,668,000	6,812,000	341.3	.....	360.0	.....
Electrical machinery, appliances and supplies.....	3,505	9,824,000	4,613,000	98.9	55.9	111.0	83.1
Lumber and timber products.....	3,495	7,846,000	3,928,000	63.7	13.2	69.8	12.0
Typewriters and supplies.....	2,934	4,016,000	2,975,000	145.3	108.8	132.1	106.4
Women's clothing.....	1,382	1,716,000	918,000	56.3	78.5	62.8	44.6
Bread and bakery products.....	1,869	7,310,000	2,847,000	23.9	13.2	16.1	6.9
Paint and varnish.....	236	1,543,000	718,000	199.6	28.8	237.1	28.3

It will be seen from the above tables that in New England the number of manufacturing establishments is 25,351; the capital invested is \$2,503,855,000; the total number of persons engaged in manufacturing is 1,212,158; the total number of wage earners is 1,100,886; the amount of wages paid annually to employees is \$557,630,000; the amount of other salaries is \$112,234,000, making the total for salaries and wages \$669,914,000; the value of materials is \$1,476,297,000; the value of product is \$2,670,065,000, and the value added by manufacture is \$1,193,708,000.

A REMARKABLE RECORD.

That is certainly a most remarkable record, and it indicates the disaster that will overtake New England if the rates of duty in this bill are not sufficient to equalize the difference in cost of production at home and abroad, which I contend is not the fact. Among other things, it will be observed that the annual average wage paid in all the industries of New England, men, women, and children included, is \$506, an infinitely higher wage than is paid in any European country and at least 30 per cent higher than is paid in the States of the South.

AN UNWARRANTED ATTACK.

Mr. President, it has been a matter of much regret to me that a New England Senator, my colleague from New Hampshire [Mr. HOLLIS], felt called upon to make a violent attack upon the industrial conditions of New England, and especially upon the textile industry. In a speech delivered in the Senate on the 11th day of August he, among other things, said:

My constituents as a whole have no sympathy with the provincial doctrine that New England must be coddled or "protected" at the expense of the South and West. When her public men in years past have begged for special tariff privileges at the Nation's Capital she has been misrepresented. She bids me say, Mr. President, that what is best for the country at large is best for her.

If the election of 1912 meant anything beyond a shifting of public officials, it meant that the Democratic tariff policy was indorsed.

I pledged my best efforts to securing for New England fair treatment in that revision and an equitable adjustment among New England industries.

Let these Senators remember that we are now taking merely a first step toward a revenue tariff. After we have seen the result of this first step we shall be in position to take a second. I very much fear that if we should make that first step so long that the cotton industry should receive a severe blow we might not be in a position politically to take the second step at an early date.

But even as a first step we have made a reduction on the whole cotton schedule of 35 per cent. Two more steps like the first would leave the cotton industry of America entirely without protection.

Protected manufacturers * * * interfere with legislation * * * secure favors from railroads * * * control local boards of assessors * * * control local officials * * * control local courts * * * interfere in senatorial contests * * * oppose labor laws * * * pay high dividends.

While these mills pay enormous dividends to their stockholders they pay starvation wages to their operatives.

When mill workers of a New England city hired a hall during the Lawrence strike to consider whether they should themselves go out on strike, the local police prevented the use of the hall, and when the operatives tried to hold meetings in the street some of them were

arrested. This was accomplished by the mill owners through the chief of police, who was controlled by the police commissioners, who were appointed by the governor at the direction of the mill owners.

Taking up these declarations in order, I beg to say that my colleague is laboring under a misapprehension when he asserts that New England bids him to speak for her industrial interests. New England believes in a protective tariff, and no man who supports the bill now under consideration, or who defends men like Ettor, Haywood, and others of their ilk, represents in any way her views. It is, furthermore, an unwarranted assumption to say that New England has been "coddled" or "protected" at the expense of the South and West. While the tariff has undoubtedly been of much value to New England industries, New England has reciprocated by helping to consume the agricultural products of the great West, and through her representatives in Congress by giving warm support to legislation in behalf of the West, such as the irrigation laws and the effort to retain duties on agricultural products. We also reciprocate with the South by consuming enormous quantities of her raw cotton, lumber, sugar, and rice. My colleague's solicitude for the West was not in evidence when he voted to put wheat and other agricultural products on the free list.

Equally mistaken is my colleague in declaring that the Democratic tariff policy was indorsed at the last election. How on earth anyone can believe that a policy that was repudiated by a majority of over a million voters of the country was "indorsed" surpasses my comprehension. Had not the Republican Party been divided, and had the issue of protection or a tariff-for-revenue-only been squarely presented to the voters of the country protection would have been overwhelmingly indorsed.

My colleague called attention to the fact that he pledged his best efforts to give New England fair treatment in the revision of the tariff, but it will be found when this bill becomes a law that New England has not been fairly treated, and that hundreds of her industries will be greatly harmed, if not entirely destroyed, because of the radical and unwarranted reductions that have been made in the rates of duty. My colleague's votes in favor of either largely reducing or placing on the free list granite, cutlery, latch needles, paper and pulp, manufactures of cotton and wool, boots, shoes, and leather, hay, eggs, butter, potatoes, maple sugar and sirup, and other New England products, is a poor fulfillment of his promise.

But the most startling declaration that my colleague made is found in the statement that this bill is merely the first step toward a revenue tariff, and his assurance that after the Democratic Party has seen the result of this first step they will be in a position to take a second. He further says that he fears that if they should make that first step so long that the cotton industry should receive a severe blow they might not be in a position, politically, to take the second step at an early date. Evidently this means that the second step is to be taken and that it is expected to deal a "severe blow" to the cotton industry. It would be more correct to say that, instead of administering a severe blow, it may be a deathblow to that great industry.

He further suggests that the first step that his party has taken reduces the rates of duty on the cotton schedule 35 per cent, and significantly adds that "two more steps like the first would leave the cotton industry of America entirely without protection." This program is doubtless the justification for my colleague's suggestion that "it is a subject for anxious thought whether a State is better off for possessing many cities of this character"; that is to say, cities like Manchester, Nashua, Dover, Lowell, Lawrence, New Bedford, Fall River, and other industrial cities scattered throughout the New England States. Let us for a moment imagine what the condition of New England would be if the cities where textile manufacturing is carried on were forced to abandon that industry and the operatives be compelled to seek for employment in other avenues of trade and industry. What would become of New Hampshire under such circumstances? It is a spectacle not to be contemplated calmly by those of us who believe that the present prosperity and the future greatness of New England largely depend upon her manufacturing strength and development. One New Hampshire Senator may contemplate with equanimity the possible destruction of the textile industry in New England, but any man who advocates such a contingency has no right to pretend that he represents New England sentiment.

My colleague's declaration that protected manufacturers interfere with legislation, secure favors from railroads, control local boards of assessors, control local officials, control local courts, interfere with senatorial contests, oppose labor laws, pay enormous dividends to their stockholders and starvation

wages to their employees, might well do for a stump speech in the heat of a political campaign, but it is so utterly preposterous that it ought never to have been uttered in the Senate of the United States. So far as I know, the men who control our great manufacturing industries are as honorable, patriotic, and law-abiding citizens as can be found among any class of our people, and it is not the part of fairness or justice to denigrate them as men who are engaged in questionable and unlawful conduct. The charge made against them can not be sustained and ought to be promptly withdrawn.

My colleague's statement that the local police of a New England city prevented the mill workers from using a hall in which to hold meetings during the Lawrence strike, due to the fact that the owners of the mills controlled the governor and police commissioners, who in turn controlled the police, is on a par with many other statements to be found throughout this remarkable speech. The simple fact is that the operatives of no New England city were forbidden to hold meetings, but the Industrial Workers of the World, men like Ettor, Giovanitti, and the notorious Haywood, who were haranguing and inciting to violence the foreign element in the mills of Lawrence, and other New England cities, were taken care of, very properly, by the police force, as they have been in other parts of the country. It seems to me that it is about time for this talk about the Lawrence strike to come to an end. It was organized and conducted by socialists and anarchists, men who openly declared that they had no respect for either the flag or the laws of our Government, and who advised violence in all its forms. The result of that agitation is that the laboring people, through the advice of those men, lost hundreds of thousands of dollars. For the time being peace reigns in Lawrence, and it will continue to reign unless those same revolutionary agitators appear on the scene and incite to further violence and disorder.

HOURS OF LABOR.

My colleague also called special attention to the hours of labor that are required in the mills of New England, citing the fact that New Hampshire has a law fixing the maximum at 55 hours a week and, evidently for the purpose of showing that that is an excessive requirement, cited the fact that the Committee on the District of Columbia has reported a bill establishing the eight-hour law for women and children in the District. He might have added that that bill was reported under protest from a great many women in the city of Washington, who prefer to work a longer number of hours in cases of emergency for the purpose of adding to their scanty income. And when my colleague pictured the conditions of the working people in the textile cities of the country as being in some respects deplorable he might well have carried his comparison between New England and the District of Columbia to the alley conditions which exist in the city of Washington, and which he himself recently investigated. If it is the duty of the manufacturers of New England to see that the operatives have sanitary surroundings whether they want them or not, it would seem to be equally incumbent upon the General Government and the government of the District of Columbia to get rid of the slum conditions in Washington, which my colleague in a recent interview so severely and properly condemned. Personally I diligently labored for many years, with a certain degree of success, to accomplish that result, and I trust that my colleague will continue the good work.

THE DEATH RATE.

It is of interest in this connection to note the fact that in the calendar year 1912 the death rate in the District of Columbia was 14.18 per 1,000 for whites and 26.88 per 1,000 for the colored population. The general death rate in the District of Columbia for the year 1912 was 17.73, as against 16 in the much advertised textile city of Lawrence, Mass. The abnormal death rate for the colored people of the District, doubtless largely due to insanitary and other similar conditions, might well engage the attention of the committee of which my colleague is a member, with a view to further correcting conditions at the Capital of the Nation, which would seem to be as imperative as to correct conditions in the textile cities of the country. Efforts have been made along this line from time to time, but notwithstanding much progress has been made through legislation and otherwise, there still remains a great deal to be done to bring about ideal conditions. Again, why was not the fact stated that in southern textile mills, where goods are made in competition with the mills of New England, the hours of labor are much longer and children are employed at a less age than is permitted by law in the New England States? Why not be fair?

My colleague complains of the wages paid in the textile industries. Those men are mostly foreign born, mostly unskilled,

and they come to this country with a full knowledge of the wages they will receive, which are more than twice what they received in the countries from whence they came. I may be permitted to suggest that if they are not satisfied with the wage they receive here there is no law compelling them to remain in this country. It will require a wise man to figure out how our manufacturers can pay twice the wages that are paid abroad and sell their product in competition with foreign manufacturers without protection, but possibly the Democratic Party can solve that problem. The probabilities are, however, that when the bill under consideration becomes a law and American manufacturers are compelled to either reduce wages or go out of business there will be an awakening as to the folly of the proposed legislation.

Mr. President, I hold no brief for the textile industry of New England. I never asked for or received a favor from any manufacturing or other corporation, but at the same time I know of no reason why the textile industry should be singled out and assailed by any New England man, or placed in a false attitude before the people of the country. Enterprising and excellent men are engaged in the business, and the present prosperity of the New England States is largely dependent upon their energy and business sagacity. They certainly deserve fair treatment at the hands of their representatives in Congress, and more than that they do not ask or expect. Beyond a doubt mill conditions can be and are being improved from year to year, for it is a well-established fact that well-paid and contented laborers are more profitable to their employers than underpaid and discontented men and women.

Concerning the hygienic conditions of the modern factory, it is interesting to quote from an article entitled "The factory as an element in civilization" the following statement from the late Hon. Carroll D. Wright, at one time United States Commissioner of Labor. Dr. Wright said:

The regular order maintained in the factory cures this evil of the old system and enables the operative to know with reasonable certainty the wages he is to receive the next pay day. His life and habits become more orderly; and he finds, too, that, as he has left the closeness of his home shop for the usual clean and well-lighted factory, he imbibes more freely of the health-giving tonic of the atmosphere. It is commonly supposed that cotton factories are crowded with operatives. From the nature of things, the spinning and weaving room can not be crowded. The spinning mules, in their advancing and retreating locomotion, must have five or six times the space to work in that the actual bulk of the mechanism requires; and where the machinery stands, the operative can not. In the weaving rooms there can be no crowding of persons. During the agitation for factory legislation in the early part of the last century it was remarked before a committee of the House of Commons "that no part of a cotton mill is one-tenth as crowded, or the air in it one-tenth part as impure, as the House of Commons with a moderate attendance of members." This is true to-day. The poorest factory in this country is as good a place to breathe in as Representatives' Hall during sessions or the ordinary schoolroom. In this respect the new system of labor far surpasses the old.

In the above statement Dr. Wright told the exact truth. A careful investigation of the subject will disclose the remarkable fact that the laws of Massachusetts, which are, in many respects, the most advanced in the country, require in the public schools 300 cubic feet of air space per pupil, and ventilation furnishing 30 cubic feet of air per minute per pupil. On the other hand, the latest spinning mill built by the Arlington Mills gives 3,000 cubic feet of air space per operative, and the ventilating system furnishes 50 cubic feet of fresh air per minute per operative, the air being cooled in summer and warmed in winter. It will be observed that this mill furnishes 10 times the space and nearly double the amount of fresh air required by law for the public-school children of the State. A recent report of a State medical inspector of Massachusetts declared that it was a fact beyond question that the hygienic conditions in many Massachusetts mills are better than those in any schoolhouse in the State, and I venture the statement, without qualification, that the average cotton mill in New England furnishes more fresh air per individual, and of a better quality, than is supplied to the Senate Chamber of the United States. It is fashionable for the claim to be made that a textile mill is an unhealthy place for men and women to work in, while the fact is that many mills are more hygienic than the homes of some men who are indulging in criticism and denunciation of the textile situation in New England. A well-informed Massachusetts man recently said to me that there is no doubt in his mind that the healthiest place that the mill operatives are ever in are the mills themselves, and he ventured the suggestion that it would be well if the agitators took up the subject of improving the conditions outside of the mills, endeavoring to bring them somewhere near to the quality of those in the mills.

I assert, without fear of successful contradiction, that the hygienic conditions which prevail in the textile mills of New England are in marked and gratifying contrast with those

which prevail in the Bureau of Engraving and Printing, the Bureau of Pensions, the Census Office, and other places which might be cited in the city of Washington.

EXCESSIVE DEATH RATE OF CHILDREN.

My colleague also called attention to the fact that there is a very large death rate of children under 5 years of age in textile cities. That is undoubtedly true in some cases, but I can not see how the manufacturers can be held responsible for it. It is barely possible that the sanitation and water supply of these cities may have something to do with the high death rate; and, again, it is an undeniable fact that in these communities some of the working people themselves are largely responsible for the condition of health which prevails among the children. They are largely foreigners, coming recently from southern Europe, and bringing with them the insanitary and careless conditions that prevail in those countries. While they receive wages that would enable them to live comfortably, in some cases they herd together, eat poor food, and neglect all the laws of health, their sole purpose being to accumulate enough money to enable them to return to their own country and live in comparative luxury. Thousands of them accomplish this.

When the Balkan War broke out hundreds of Greeks in New England had no difficulty in drawing from the savings banks a sufficient amount of money to enable them to return to their native land and fight for their Government. The extent to which the laws of life and health are violated by some of these people is appalling, and certainly their employers ought not to be held responsible for that condition, the fact being that in many cases the mill owners are doing everything possible to mitigate such conditions. For instance, according to statistics furnished by the Manchester (N. H.) Daily Mirror, in that city, containing a population of about 75,000, a single corporation, the Amoskeag Manufacturing Co., a mill where strikes are unknown, employing 15,000 men and women, with a weekly pay roll of approximately \$150,000, has established a playground for the children, supplies free physicians, dentists, and visiting nurses, has established lecture courses, is teaching them domestic science, and is giving free house lots for homes for operatives. In addition, it is in contemplation to build a clubhouse for the workers in that textile mill. The corporation has built many houses for which operatives pay a comparatively small rental, which houses are sanitary in every respect, many of them containing bathrooms and other modern improvements. The "reeking tenements" that my colleague talked about are not to be found in that city, certainly not unless the workmen themselves choose to live in violation of the well-known laws of health, and I have found nothing to warrant the suggestion of my colleague that possibly New England would be better off if these industrial cities did not exist.

The charge that the women are sickly is equally wide of the mark, for no healthier or more robust women can be found anywhere than those that are employed in the textile mills of Manchester.

Mr. President, I am fortunate in having corroborative evidence of what I have said concerning the great textile city of Manchester. The Hon. EUGENE E. REED, Democratic Representative in Congress from the first New Hampshire district, and mayor of the city of Manchester for eight successive years, in an interview a few days ago, gave testimony as to the conditions in that city. Mr. REED, after disclaiming any purpose of entering into a personal controversy with my colleague, said:

The queen city of Manchester is not a blot on the map, but is absolutely the reverse. It is the finest city of its class and character on the American Continent. There is no other manufacturing city with so many good homes as can be found in Manchester. Slum districts there are unknown. It is a home-owning and a home-loving city. There is not a manufacturing city in the country where the people are so well cared for and so contented as in Manchester, and where so much is done by their employers and the city itself to protect the health and prosperity of the employees. I do not know nor care what Senator HOLLIS may have said. I am speaking from my personal experience. I am a Manchester man, and am interested in every phase of its welfare, and shall give it my honest and conscientious service at all times. The conditions there in no way bear out the statements as quoted from the speech of Senator HOLLIS.

A STRIKING ILLUSTRATION.

As an illustration of the prosperous condition of the textile workers in Manchester may be cited the fact that the deposits in the savings banks of that city are \$33,714,000, of which amount a careful estimate credits \$9,873,450 to the working people. Those employed in the mills have also a large amount invested in building and loan associations, and according to the records in the office of the board of assessors, 773 employees of the Amoskeag Manufacturing Co. own real estate in the city assessed at more than \$2,000,000. To illustrate the amicable relations existing between the corporation and their employees

it is interesting to know that there has been organized among the workers in that great mill a textile club, which has for its general object the improvement of the relations between the operatives and the management. This club now has a membership of about 1,200 men and 400 women. It endeavors to promote in every legitimate way clean and healthy outdoor sports, and during the summer months has established a camp for boys, children's gardens, and has constructed the finest baseball park in any city of New England outside of Boston. It also has supervision of the children's playgrounds. It is intended that during the winter months stereopticon lectures and other instructive amusements will be provided for its members. It may be that my colleague wants to see that great mill put out of commission, but my impression is that sober second thought will lead him to a different conclusion.

MORTALITY IN NEW HAMPSHIRE CITIES.

It is especially interesting to note the fact that the general mortality for New Hampshire cities, which includes the mortality of children under 5 years of age, is favorable to the textile communities. As an illustration, Concord, the capital of the State, where my colleague and I both reside, a residence city with practically no manufacturing industries, had in 1910 a death rate of 21.6; and in 1911, 20.1; while Manchester, Nashua, Dover, and Laconia, all of which are textile cities, had death rates as follows: Manchester, 1910, 16.5; 1911, 18.2; Nashua, 1910, 17.7; 1911, 16.3; Dover, 1910, 17.8; 1911, 18.7; and Laconia, 1910, 18.3; 1911, 14.7; all considerably below the death rate of Concord. It will be observed that in some of these cities the average death rate has fallen, while in others it has risen; but no one of them shows as large a death rate as Concord, where manufacturing is almost entirely unknown. It is proper that I should say that the death rate of Concord is somewhat augmented by the abnormal death rate in one of the State institutions located in that city.

MORTALITY STATISTICS FOR MASSACHUSETTS.

Turning to the State of Massachusetts, which is the most distinctively textile State of New England or the Union, leading in both cotton and woolen manufactures, the following facts appear: The four chief textile manufacturing centers of this State are Fall River, Lowell, New Bedford, and Lawrence. These are all populous communities in which, as in other industrial centers of New England and the country, a large proportion of the people are of foreign birth.

It is true, of course, that the rate of mortality is greater in these densely inhabited cities than it is in most of the country towns and somewhat larger than the rate of mortality in the State at large, which was 15.42 per 1,000 in 1911. In that same year the death rate in the textile city of Fall River was 17.5 per 1,000, in the textile city of Lowell 17.7 per 1,000, in the textile city of New Bedford 17 per 1,000, and in the textile city of Lawrence, which has been pictured as a horrible example of destitution and suffering, the death rate was 16 per 1,000, only a fraction above the average death rate in the State. But in that same year, 1911, the death rate in the nontextile seaport of Boston was 17.1 per 1,000, and in the seaport of Salem 16.7 per 1,000. In Chelsea, a commercial city on the shore of Boston Harbor, the death rate was 19.3 in the same year, being 3.3 higher than the death rate in Lawrence. These figures compare densely populated textile communities with densely populated nontextile communities, and they go far to disprove the assertion that any particularly high mortality attaches to textile manufacturing. These are the records of the Forty-third Annual Report of the State Board of Health of Massachusetts, published in 1912.

TUBERCULOSIS.

If there is any malady that might be assumed to be peculiar to textile communities it is tuberculosis. But the mortality from this disease in the four chief textile centers of Massachusetts, taken as a whole, is lower than in the State at large. The sixty-first annual report of births, marriages, and deaths in Massachusetts states that the mortality from tuberculosis in the whole Commonwealth in the year 1910 was 1.3 per thousand, this figure including, of course, a very large number of agricultural, thinly populated towns. But in the same year the same authority states that the death rate from tuberculosis in Fall River, a textile city, was 1.3 per thousand, the same rate as in the State at large, while the tuberculosis death rate in New Bedford, Lowell, and Lawrence, all textile cities, was only 1.1 per thousand. In these textile centers a great majority of the working population are employed in the cotton and woolen mills, and it is a most remarkable fact, as shown by these official figures, that textile workers as a whole suffer less from tuberculosis than do the people of Massachusetts in general.

PNEUMONIA.

In an article from Collier's Weekly, which the Senator from South Carolina [Mr. SMITH] had read into the CONGRESSIONAL RECORD on Monday, August 25, the statement was made that in view of the conditions existing in the textile cities a high death rate resulted, especially in diseases such as pneumonia. It has been shown that the death rate from tuberculosis in the textile cities of Massachusetts is even less than the general death rate for the State. It will now be interesting to observe that the report of the Bureau of the Census for 1911 shows that the death rate from pneumonia in Massachusetts was 1.6 per thousand, while in Fall River the rate was 1.9, New Bedford 1.8, Lowell 1.4, Lawrence 1.9, Manchester 1.8, and Boston 2. From this it will be seen that in Lowell the death rate was lower than in the State at large, while all the textile cities mentioned had death rates from pneumonia below that of the nontextile city of Boston and but slightly above the rate for the entire State. This illustrates the loose and unwarranted methods that are being employed to bring opprobrium upon the textile cities and utterly refutes the statement in Collier's Weekly, quoted with such gusto by the Senator from South Carolina.

Since the city of Lawrence has been held up to particular opprobrium because of a recent violent strike there, inaugurated and fomented by those anarchistic agitators, the Industrial Workers of the World, it may be well to note that the death rate in Lawrence has steadily receded from 19.6 in 1905 to 17.7 in 1910 and to 16 in 1911. The records of vital statistics in Massachusetts are known to be kept with scrupulous care and go far more closely into detail than do the records even of neighboring New England States. These exact official facts, furnished year after year, utterly refute the contention of the political foes of New England textile manufacturing so far as the question of health is concerned.

In refutation of the doleful picture that my colleague painted of the conditions existing in the industrial cities of New England it is only necessary to quote a few figures. As has been said, the city of Lawrence is particularly held up to criticism and denunciation and the effort is made to prove that the laboring people of that city are oppressed beyond the point of endurance. To a question addressed to Hon. Michael A. Scanlon, Democratic mayor of Lawrence, under date of August 14, the following reply was received:

The population of Lawrence, according to the 1910 census, was 85,892.

There is about \$22,000,000 deposited in three savings banks and in the savings departments of three trust companies. Nearly all of this amount is the property of working people in Lawrence and its suburbs. Very few people other than working people in Lawrence or its suburbs deposit in savings banks, because the amount of a deposit is limited to \$1,000 and its accumulations up to \$1,600. Those having larger amounts usually invest in securities where they can get a larger return, the savings banks paying 4 per cent, and consequently nearly all the money in savings banks in Lawrence is the property of working people.

Lawrence has a valuation of \$78,755,253. Of this amount \$37,524,900 is real estate owned by residents. The remainder represents the holdings of large mill corporations, nonresidents, etc., with the exception of \$10,025,325 in personal property owned by residents. The greater part of this \$47,000,000 real and personal property is owned by working people.

Now, let us look at certain other Massachusetts cities. The city of New Bedford, long one of the great industrial cities of Massachusetts, with a population of 96,000, has \$28,382,945 deposited in savings banks, almost wholly the accumulation of the people who work in the mills and factories of that city.

One of the most striking illustrations of the prosperity of a New England industrial city is furnished in the case of Worcester, Mass., a city of 146,000. The deposits in the savings banks within that city amount to \$70,000,000, and outside of the city there are deposited \$40,000,000 by the people of Worcester, making a total of \$110,000,000. In cooperative banks and loan associations \$4,000,000 are deposited. I am reliably informed that most of this money belongs to the working people of Worcester. Under the laws of Massachusetts no one person can deposit in the savings banks more than \$1,000, which can not be increased above \$1,000 by the addition of dividends. It is also estimated that the working people have invested in real estate and first mortgages, in and out of the city, approximately \$90,000,000, which, so far as can be ascertained, makes the working people of Worcester the richest working people per capita on the face of the earth, amounting to \$1,400 for every man, woman, and child. All of this money, with the exception of some \$40,000,000, has been accumulated within the last 20 years. Worcester is a city of varying industries, almost every possible species of manufacturing being found there, including textiles to a large extent. It does not require any stretch of the imagination to conclude that if under the operations of the pending bill these industries

are halted the working people will suffer a tremendous loss, and beyond a doubt will be compelled to withdraw more or less of their deposits from the savings banks and use them to secure the necessities of life. Does any man in public life seriously want to halt the prosperity of these textile cities? Time will tell.

A COMPARISON.

Mr. President, Robert Burns was a philosopher as well as a poet. It will be remembered that on a certain memorable occasion he was moved to write the stanza:

Oh, wad some power the giftie gie us
To see oursel's as ither see us!
It wad frae monie a blunder free us
An' foolish notion.

If our Democratic friends had only had the gift to see themselves as the country is now seeing them and the wisdom to appreciate the fact that the legislation they are engaged in will of necessity do harm to all classes of our people, the bill now under consideration would never have been prepared.

It will be recalled that Gen. Grant is credited with the wise remark that "You can always trust the Democratic Party to make a mistake at the right time," and what is occurring to-day is a fresh illustration of the correctness of Gen. Grant's observation. It is a monumental blunder, the magnitude of which can not be overestimated.

It can well be imagined how, when the crash comes and the people of the country have risen in their might to overthrow the Democratic Party because of this legislation, the Senator from North Carolina [Mr. SIMMONS], the Senator from Mississippi [Mr. WILLIAMS], the Senator from Missouri [Mr. STONE], the Senator from New Hampshire [Mr. HOLLIS], and their associates on the Democratic side of this Chamber will see the un wisdom of what they are now doing; but in view of the circumstance that they will be responsible for the destruction of American industries and the lessening of the demand for American labor, they will find little comfort in contemplating the fact that the result was due to their party's political blindness and folly.

Mr. President, it is a matter of regret to me that I have felt compelled to detain the Senate for so long a time in the discussion of this question, but it has seemed necessary for a proper understanding of the situation that certain facts should be frankly and fairly placed before the American Congress and the American people. I am not an alarmist in any sense of the word, but I can not bring my mind to any other conclusion than that the contemplated legislation will inevitably bring disaster to the industries of the entire country, and especially to those of New England, with suffering and sorrow as a necessary result, and I would be doing myself an injustice did I not sound a warning note. But, Mr. President, the die is cast. A Democratic President, a Democratic Congress, and a Democratic caucus have ordained that the bill shall become a law, and while it does not represent the honest convictions of a majority of the American people, it is to be forced upon the country by the representatives of a political party that has always stood in opposition to the protective doctrines of the Republican Party. The triumph will be complete, but it will be short lived, and those of us who contemplate with solicitude the result of the legislation can find satisfaction and comfort in the belief that the Government will soon again be placed in the hands of the party of protection, and that this statute will in due time be superseded by a law that will adequately protect our people from the cheap labor of European and Asiatic countries.

Mr. HOLLIS. Mr. President, I confess that I have always admired the speech that my colleague [Mr. GALLINGER] has favored us with to-day. It has the flavor of childhood associations, the taste of "the old oaken bucket," and the fragrance of "the last rose of summer." One thing only is lacking, and that is the waving of "the bloody shirt." When I first heard that speech I was a small boy in knickerbockers, and "the bloody shirt" was the most important thing in it, but it then, as now, bristled with figures, savings-banks deposits, statistics of population, and all sorts of things that sounded good. It had the smell of the flesh pots about it and the glitter of coin and benevolence and prosperity, and the poor workingman who sat there and heard it, thinking of the 10 children he had to support on a dollar a day, went home to wind up his alarm clock and think how happy he was to live under such a Government.

This has all been thrashed out, Mr. President, in the State of New Hampshire. My distinguished colleague has not been there on the stump very much of recent years. Perhaps he did not represent exactly what the managers of the Republican Party have represented in the last few years, for Mr. Winston Churchill and Gov. Robert Bass have managed the Republican

Party for some time now. And if this speech was heard at all on the stump when they controlled the reins of the Republican Party it was heard in some populous center like Swanzey, Crawfords Notch, or Harts Location. But if it was made, Mr. President, I assure you it rang with all the benevolence, patriotism, and protection that it has rung with here to-day.

I said nothing in my speech the other day about the city of Manchester. I did not mention it, but immediately my friends, the Republicans, get up and say, "HOLLIS is abusing Manchester again." I do not dare to abuse Manchester very much because I have to go through it when I go to my own home, and during my last campaign I was notified by telephone that if I made another speech in Manchester I should be arrested. I do not know whether my prerogative as a Senator would save me from that, but I am afraid I might be arrested just as they arrested the workingmen who were not permitted to hold a meeting to see whether or not they would strike.

My distinguished colleague and his friends are very glad to say on all occasions that I am the defender of Mr. Eitor and Mr. Haywood. Mr. President, I have never defended them for one single moment in all my life. I have merely said that their opponents, the cotton-mill managers, were just as bad as they were, and sometimes even worse.

But this Manchester issue has come up. The Senator, I am sure, does not expect to be returned to the Senate. In what he said to-day I can read his conviction that he can not be, because he is beginning to abuse his own home city and say that they have there a higher death rate than they have in the mill towns of Massachusetts. No man can afford to do that. A man must stand by his home town, and I am going to stand by mine.

The figures furnished the distinguished Senator came from a man named Topping, who is a newspaper correspondent, and who wrote the article in the Mirror from which the Senator read. The article was sent to the Senator, and I was notified of the fact. I have investigated the death rate of the city of Concord, and I find that in our insane asylum, where they bring practically all of the insane in the State, there are 140 deaths a year, and Mr. Topping made up his death rate by including all those insane persons. The latest available report of the city of Concord gives the death rate, excluding the insane patients who came from elsewhere, at only 15.45 per thousand—away below the death rate of Manchester and the other mill cities.

I did not suggest that Manchester or Lawrence or any other city had a large death rate, Mr. President. I merely called attention to the undoubted fact that the death rate among children 5 years old and under is greater in the mill cities of New England than anywhere else in the country, and that, too, in a most salubrious climate. My distinguished colleague does not deny that; he can not deny it; the figures show it. I threw that much out for what it was worth; but I see I am obliged to follow it up in order to maintain myself.

For some reason the attention of the Government has been called to the mill cities of New England, and they have had for several years a man up there investigating. That man is a graduate of Harvard College and of the Harvard Medical School, and he is an expert. He has made a report in which he says:

Cotton-mill work was selected for special investigation because it employs a larger number of women and children than any other industry, because it exhibits a deplorably high female death rate, and because it, more frequently perhaps than any other large industry, subjects its workers to inhalation of irritant vegetable dust, which in the underfed and overworked is especially conducive to bronchitis, asthma, and tuberculously infectious pulmonary diseases.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to his colleague?

Mr. HOLLIS. I yield.

Mr. GALLINGER. I do not wish to disturb my colleague. He always interests me. But my colleague will note the fact that the general death rate includes the death rate of children under 5 years of age; yet the textile city of Lawrence, Mass., so much berated, has a death rate of only 16, including children under 5 years of age, while the city of Concord, the home town of my colleague and myself, where people go to educate their children, excluding the institution to which both my colleague and I called attention, has a death rate of 15 and a fraction, almost as much as Lawrence, and applying the average death rate to the State institution the rate will be greater than Lawrence.

Mr. HOLLIS. I shall not argue on what I may have to think up on the spur of the moment, but I shall continue to read from this Government report, which no one will attack as being incorrect.

Dr. Perry says:

II. In the age groups within which operatives and nonoperatives are fairly comparable, female operatives have a decidedly higher death rate than nonoperatives. This is most marked in respect to tuberculosis, the death rate of female operatives from this cause being, in general, more than twice that of nonoperatives, and in some of the race and age groups running up to many times as high. Thus, in the age groups 15 to 24 years, 25 to 34 years, and 35 to 44 years the death rates from tuberculosis per 1,000 were, respectively, two and one-fourth times, two and one-half times, and five times those among women of the same age groups outside the cotton industry.

III. An examination of different factors which might affect the death rate, especially from tuberculosis, such as native or foreign birth, tuberculous kindred or intimates, overcrowding, sanitary condition of homes, etc., fails to show any such massing of unfortunate conditions among the female operatives as would explain their unvaryingly higher death rate.

Hence it seems impossible to escape the conclusion that operative work is prejudicial to the health of females, that the combination of operative work with matrimony is especially harmful, and that, while the general hazard of the female operative is greater than that of the nonoperative, she is in most danger from tuberculosis. Whether the harmful effects of operative work are greater than those of other industrial employments, and whether they inhere in cotton textile work as a whole or are due to certain occupations carried on within the mills, are questions for further investigations to answer. This has established the fact of the high mortality among female cotton operatives and of their special susceptibility to tuberculosis.

Mr. President, the Amoskeag Manufacturing Co. has been injected into this debate, but not by me; and I wish to say a little more about that delightful institution.

In the first place, it seems that they have established a school to teach cooking; and I think it is very necessary when they pay, on the average, only seven or eight dollars a week. If I had to support a family on that wage, I should certainly want to know all that science could teach me.

The Amoskeag Manufacturing Co. is very clever. It makes large dividends, it pays low wages, and it is a good advertiser. The playground that my benevolent colleague speaks so carefully about is stuck right down beside the Boston & Maine Railroad, where everyone can see it, with a big sign upon it, saying "Amoskeag Manufacturing Company Playground." I have been past the playground hundreds of times, and I have never seen more than 10 little children in there at a time. They have bought a baseball park, and they advertise in other ways. They have a hospital, but instead of having it in a healthy spot, they have put it right beside the railroad, with a sign upon it, so that people can see it. And so they spend a small fraction of 1 per cent to advertise their benevolence to the State of New Hampshire, while the Government of the United States has spent over \$150,000 to educate my distinguished colleague in the Senate so that he can get up and promote that gospel.

Now, coming to the Amoskeag Manufacturing Co. and its sanitary adjuncts, about which the Senator has told us, this article appeared in the Manchester Mirror, the one from which my colleague has read, and it aroused the ire of certain good people in Manchester. One of them, Dr. Noel E. Guillet, a very prominent physician in Manchester, wrote a letter, which was printed, in reply. He speaks of his own knowledge. He says:

The Mirror does not criticize Senator HOLLIS's speech from a tariff point of view, but tries, for political capital, to show, by all kinds of misrepresentations, that Senator HOLLIS has insulted the working people, and when the Mirror attempts to do that it is losing its pains and its ink, because all classes of working people know well, by long years of experience, that Senator HOLLIS is among the best champions of their cause.

Now, how utterly silly it would be for me to take the attitude of insulting the working people of Manchester, when they are the very people who have always supported me and who have always voted for me and on whose support I depend. Far from insulting them, I should like to see them get the wages that the rest of the people of the United States turn over in the price of cotton cloth, so that they may go to these workingmen.

Dr. Guillet continues:

Now, Mr. Editor, I wish the Mirror would send the reporter—

That is our friend Topping, who was the private secretary of Congressman Sulloway until Congressman Sulloway was defeated in the last campaign—

Now, Mr. Editor, I wish the Mirror would send the reporter who visited that boarding house, so immaculately kept, with a menu that would do honor to the Copley Square, of Boston, and all that for \$3 per week, a little farther north to those corporation buildings owned by the Amoskeag, right next to Elm Street, between Bridge and Dean. There he would find not one but a hundred tenements, one and a half story, old wooden shanties, with plumbing unknown to them, no modern service, but common, old-time vaults.

If the gentleman from the Mirror would take a trip around those vaults on a hot summer day with his olfactory appendage wide open, he would see and his nose would tell him that he himself has insulted the common people by his sarcastic article, and that the articles printed in the Mirror July 21 and 22, 1900, during the house-to-house inspection would be more appropriate.

There are one or two hundred more Amoskeag tenements connected with water-closets in unheated sheds. In cold days the water freezes, thereby becoming a nuisance a great part of the winter. That such a

condition should exist in the thickest portion of our city for over 40 years is doubtless because the owner, a powerful corporation, has a strong hold on our local board of health as well as on other boards. I believe, Mr. Editor, that to find the real condition that exists among our laboring people one should not go only to the corporation counting room and the banking counter, but take the pains to visit the county commissioner, the overseer of the poor, the hospital wards, look into the grocer's and doctor's books, and perhaps also into the books of some of these prosperous merchants.

For several years I have been employed by the State of New Hampshire, under a Republican administration, to prosecute these mills for violating the law. Why they came to me, a Democrat, I do not care to state. It may not be because they could not find a Republican lawyer who dared to attack these great corporations, but it has been my business to do the work. I have had detectives in the mills. I have had hundreds of pictures of little children at work in the mills, doing a man's work, below the legal age. I have prosecuted them in the courts, and I have had the various experiences that I described in my speech the other day. I repeat that I do not want any harm to come to these corporations; but I still say that there is no reason why they should have any special favors at the hands of the Democratic Party.

Mr. President, in this speech, which I have always admired, as I admit, which has so much that it is pleasant to hear, my genial colleague always goes back to the time of Washington and Madison. He then comes down, and wherever there are hard times he shows that either before or after them we have had a Democratic tariff bill. I am glad to say that the Democratic Party has been in power so much in this country that it is very difficult to get far away from the time when it was in power. But Washington, Madison, and Monroe would look with amazement at a bill such as this, which carries as high an average rate as 26.67 per cent. That is a high rate—higher than those gentlemen ever saw or ever contemplated.

My colleague says that under the Walker tariff they did not raise enough revenue, and therefore they could not pay their bills. That is no reflection on the theory of the revenue tariff. If you do not get your rates high enough, you can not raise enough revenue; and the Democratic administration, even before President Buchanan left his seat, had corrected that error in the computation.

President Wilson's words, so eloquent and so true, and read with so much gusto by my distinguished friend, were uttered of the period in 1893, one year before the Wilson tariff bill was passed. My colleague knows that well, but he always forgets to state it.

My colleague finds fault with me because I say that New Hampshire bids me speak for her. This matter has all been thrashed out on the stump in New Hampshire. True, we have not heard my genial colleague as many times lately as we should have liked to hear him, but we know just what he would say if he were talking. If he had been on the stump, he would have known that I have been for the last four campaigns denouncing the protective tariff as a fraud and a delusion; that I have been denouncing the manufacturers who steal the wages that are contributed for the workmen in the mills, and it is on that issue that I was elected.

I was not elected by any combination of Democrats with Bull Moosers. Not a single Bull Mooseer voted for me. I was elected by some 204 Democrats plus about 8 Republicans, and they voted for me because they believed in the principles for which I stood.

The good Senator, so far as I know, has never gone to the people in New Hampshire since he was elected to Congress, away back before I left school. I hope he will run again during the next campaign; and if so, we can find out whether his premises are true and whether mine are wrong.

But I wish to call the attention of the Senator, when he says we are a minority party, to the fact that it was this very high protective tariff that divided the Senators who sit on the other side. That was where the great debate was, in 1909, between men like Senator Dolliver, Senator LA FOLLETTE, and Senator BRISTOW on the other side and the standpatters on the same side. It was the high protective tariff that they say they stand for to-day that split their party hopelessly so recently in the past.

In making his speech my colleague has always referred in glowing terms to the savings-banks deposits, thereby arguing that American wages are high. To-day he cites Manchester, with its 70,000 people, with deposits in the savings banks belonging to the working people of \$13,000,000. Our little city of Concord has only 20,000 people. It has practically no manufacturing. Yet in a single savings bank we have assets of almost \$12,000,000—almost as much as the working people have in all the banks of a city three and a half times as large.

I shall not take up the time of the Senate further on this part of the debate. It has been gone over and over and over. The people of New Hampshire knew the fight was pending. They knew what the issue was. I did not sneak into the Senate by stealth. I did not come in on a midnight assault. I came in in broad daylight, at high noon, on the arm of my distinguished colleague, at the end of a long and bitter senatorial fight, with flags flying and drums beating. I had declared my ideas of the tariff to the people of New Hampshire, and I was constantly misrepresented by the papers.

My colleague has claimed that I stated that I believed the Amoskeag Manufacturing Co. should be demolished—"Amoskeaga est delenda." Mr. President, I have never made any such statement. I would be foolish to make the statement. I have hoped and prayed over the poor sinner, hoping that it might reform and give to the working people some of the benevolence which it arrogates to itself.

No, Mr. President; the issue was squarely drawn, and the best answer to the speech delivered here to-day by my honorable colleague is my very presence in the Senate of the United States.

Mr. GALLINGER. Mr. President, I have been charmed while listening to this "impromptu" speech that my colleague, to my knowledge, has been working over for four or five days.

I need not even refer to the suggestion that my colleague has made, of a rather offensive nature, concerning my future participation in the political campaigns in New Hampshire. My attitude on public questions has been well known at home and is well known here. I never have had occasion to apologize for what I have believed or for what I have said, and I do not propose to do so now.

My colleague's suggestion that I have put myself in an attitude where, of course, I will not dare to run for another term in the Senate is gratuitous. He has no authority whatever for saying that. As I said the other day, I will go out of the Senate voluntarily, if I conclude to go in that way, or my people may put me out if they think it wise to do so; but I will not go out because of any suggestion from any Democrat in the State. On the contrary, I shall be in the hands of my political friends, with whom I have labored, for good or for bad, for these many years.

Mr. President, I am not going to continue this debate, because I know we ought to take up the items not yet agreed upon in the tariff bill. The figures I have given in reference to the death rate can be verified by an examination of the census reports on mortality statistics. My colleague repeats the assertion that there is an unusually high death rate from tuberculosis among the women in the mills. Yet that is not reflected in the general death rate as we find it recorded in the official figures to which I have called the attention of the Senate. If there is an abnormally high death rate among the women, there must be an unusually low death rate among the men and children; so we will let that go for what it is worth.

I do not care to enter into a discussion as to how my colleague got into the Senate. He is a good fighter. He was a Democrat—and an aggressive, militant Democrat—when the Democratic Party was hopelessly in the minority in New Hampshire. He carried the banner down to defeat time after time, and finally he achieved victory by the aid of some Republicans in the legislature—men elected on the Republican ticket. I do not know whether they have all had their reward as yet. I know some of them have had their reward.

Mr. President, we will let this matter go as it is. If what I have said is not worthy the attention of the Senate or the country, the Senate and the country will judge of it. If it is ancient history, I will merely suggest that it is wise for us sometimes to turn back the pages and glean lessons from the past. What I have said I have said from the book, and it can not be gainsaid. It will stand in the records of the Government as a contribution to this discussion, which will be helpful or harmful according as the people look at it.

Mr. President, my future, so far as politics is concerned, is of very little account. I am concerned for my State more than for myself, and I now give notice to my amiable and militant Democratic colleague that in the next political campaign, if I am alive, we will fight this out before the people of New Hampshire, whether I am a candidate for reelection or not, and the result will determine whether I speak wisely and truthfully to-day or whether my colleague speaks words of truth and wisdom.

Mr. THOMPSON. Mr. President, as I proceed with my remarks I prefer not to be interrupted. When I have concluded, if any Senator desires to ask any question I will take pleasure in answering it.

It is not my purpose, Mr. President, to discuss in detail the various schedules of the tariff bill or any one schedule in particular. I simply desire to discuss in a general way the tariff question as presented by the bill under consideration in order that my vote may be fully understood.

My views on this question have, perhaps, been more often misrepresented by the opposition press of my State than those of any other Senator. The Republican and Progressive papers, without the slightest foundation or authority, were quick to assume and boldly announce to the public that because I reside at Garden City, where we have the only sugar refinery in the State, I would vote against the clause in the bill providing for free sugar after three years, and would eventually vote against the entire bill if it included this provision. The Republican press seem unable to get over the idea that every Senator must be guided only by local conditions.

These misrepresentations were so general that my constituents became somewhat alarmed as to my position and, contrary to my usual custom, I felt it necessary to give the following statement to the press:

False statements, having no foundation whatever, are being published to the effect that I expect to vote against the Underwood bill because of the sugar schedule.

I have never intimated to anyone that I would vote against the bill, and have never had any such intention. There is no substantial difference between President Wilson and myself on the tariff, and certainly not enough difference on any schedule to justify any person in the belief that I would vote against the bill. The questions presented are national—not local—and will be so regarded by me.

There is so much good and so little bad in the bill that I do not believe any Democrat would be justified in voting against it, simply because it may not meet his personal views or the wishes of his immediate constituency in a few schedules.

I have always stood for a material reduction of the tariff, on sugar as well as all other necessities of life, and I favor free sugar when it can be obtained without serious injury to the industry and the price of sugar to the consumer can be lowered thereby.

I am not influenced simply by what is best for the people and the industry at my home city and county, but by what is best for the industry and the people generally throughout the United States. The only difference between President Wilson and myself on this question arose simply over the consideration of the length of time a satisfactory condition can be brought about considering the welfare of the industry as well as the benefits to the people as a whole to be derived from ultimate free sugar.

To meet my views I introduced in the Democratic conference an amendment to the sugar clause proposing to adopt the sliding scale of the pending bill up to 1916, and thereafter to reduce the duty 25 per cent each year until free trade in sugar was reached.

The reason for the misrepresentations on the part of the press and the erroneous impression received therefrom by the public was, no doubt, because of the way tariff bills have heretofore been drafted. The tariff question has formerly been regarded by most people as merely a "local issue" and not of national character or importance. While all of the property I have in the world, and the best friends I have on earth are located in the sugar section of my State, and many of my close personal friends are engaged or interested in this particular business, yet I must, in the performance of my official duty, consider the question from a State-wide and Nation-wide standpoint. I must, as a Senator, disregard my personal interest and the wishes of my personal friends where they conflict with the public interest. The question is, Will free sugar eventually be of benefit or of injury to the majority of the people of my State and of the Nation? It is admitted by the opposition that free sugar will necessarily lower the price of sugar to the consumer.

There are not more than 1,000 people in Kansas directly interested in the raising of sugar beets or interested in the refining of sugar, while, on the other hand, there are about 1,700,000 people who have no interest whatever in the business and who must purchase sugar.

The present tariff rate on sugar is about 33 per cent of its value, or practically one-fourth of the retail cost is made up by the tariff. It is estimated that every person in the United States consumes about 80 pounds of sugar per year. The average price of sugar is about 5 cents per pound, making the total cost to each person about \$4 a year. The people of Kansas pay out about \$6,800,000 for sugar under the present tariff and prices each year. Free sugar would therefore result in a saving to the people of my State in one year of about one-fourth of this amount, or \$1,700,000, which would be a saving of more than the entire cost of the Garden City factory to the whole people of the State each and every year.

This is the first tariff bill drafted since the Civil War which has disregarded the local-interest proposition. While it has been charged that the bill has been drafted in the interest of the southern people and of the eastern manufacturer, yet a close inspection of the bill, with full information as to how bills of this character must necessarily be drawn, will convince any reasonable person that there is no truth in this charge. The main idea throughout the bill has been to place the necessities of life on the free list, regardless of where they are raised or produced, in order to secure the greatest benefits for all the people and to reduce the high cost of living, which has reached the highest point ever known in the history of this country.

Too often heretofore in the framing of tariff bills those favoring a tariff on wool traded their influence and votes to those favoring a tariff on cotton or some other article, and those favoring a tariff on sugar traded their influence and votes to those favoring a tariff on agricultural products or some other article. In other words, it was simply a case of "you scratch my back and I will scratch yours."

There was no real principle involved. All had the idea of protection, with a selfish motive on the part of each individual and the thought that everything was all right if each contending party received his share. We have now drawn a tariff bill where there has been no swapping of votes or interests and where no particular person or section sought to secure any advantage over any other. The Democratic Party has at last become great enough so that it can declare to the world that the tariff question is no longer merely a local issue, but that it is national in character and is simply a means to assist in raising revenue and is only tolerated for that necessary purpose.

We are fast discarding the idea that the Government must engage in commercialism or there will be no business in the country. It is no longer the business of the Government to undertake to see that certain classes of people are successful in business enterprises. It is no concern of the Government if these classes can not make a profit by the merits of their own goods and the economy in their production. Commercialism is no longer a legitimate governmental function.

The only legitimate function of government is to insure equal privileges and opportunities for all in the business world and to preserve peace and happiness to all its citizens.

There was a time when it was generally understood that the tariff tax was absolutely necessary in order for business enterprise to succeed. But the sentiment and information of the people have changed in this respect. For 50 years the Democrats have advocated that the tariff is a tax which the consumers pay and that the schedules are outrageously high. The Republicans all these years denied this doctrine. They now frankly admit that they were wrong, but insist on making the revision of the tariff themselves.

This is like a man pleading guilty to a crime and then asking to pass sentence upon himself.

Knowing the kind of a tariff law PAYNE and Aldrich gave the country, it would certainly be a dangerous and expensive experiment to permit the Republicans to revise it. Ex-President Taft pronounced the Payne-Aldrich bill the best tariff bill ever enacted, although he at first expressed dissatisfaction with the measure. Speaker CLARK pronounced it the worst tariff bill ever passed, because it is the highest. In his speeches, to illustrate this point, he told the following story:

Out in Montana in the early days they lynched a horse thief; on his back they pinned a paper; on the paper they wrote these words: "This man was a very bad man in some respects, but a d— sight worse in others."

This is exactly the trouble with the Payne-Aldrich tariff. While the pending bill may not fully meet the views of the progressive Republicans—if I may so refer to that branch of the Republican Party which believes in the reduction of the tariff—yet, as between the rates of the pending bill and the Payne-Aldrich bill, it seems to me they will have a hard time explaining to the people of the country if they fail to vote to put into law the pending bill in preference to continuing in force the iniquitous Payne-Aldrich law. It would seem that anyone honestly desiring and advocating a downward revision of the tariff would certainly be in favor of voting for a bill which everyone admits greatly reduces the rates. It would seem that they would gladly accept the pending bill, although not perfect, rather than to tolerate the evils of the present law and inflict the burdens thereof upon the people of this country for any longer period than absolutely necessary.

It would seem also that the income-tax feature of the bill, which most progressive Republicans claim to favor, would especially appeal to them. A vote against this bill will be a vote

against the income tax. For more than 20 years the Democratic Party has advocated the income tax. About 20 years ago a Democratic Congress passed an income-tax law, which, after much litigation and various changing and shifting of views, was finally declared unconstitutional by the Supreme Court of the United States. It is certainly fitting that after so long a time the Democrats are again offered the opportunity of presenting to the country an income-tax law which is now fully fortified by the Constitution against judicial destruction. It has taken all these years since that time to secure a constitutional amendment which would permit the levying of an income tax under the views expressed by the Supreme Court. This certainly demonstrates the need of a shorter method and manner for changing the Constitution. This was one of the reasons why I introduced at this session a resolution providing for the amendment of the Constitution whenever a majority of both Houses deem it necessary and when ratified by a majority of the several States.

No better way for raising revenue for the Government can be devised than from the income of the citizens who by enjoying the protection of the laws of the country are enabled to acquire sufficient property, above a living, on which to make a levy. The greatest trouble with taxation has been in the fact that men of small property often pay the highest taxes in proportion to what they possess. By the present system of taxation the man with a large amount of property has been enabled to cover up much of his taxable property, while the man of limited means is unable to do so. No citizen should object to paying this kind of a tax. Every citizen should be happy to have an income sufficient to require him to pay it.

This new system of taxation will shift the burden from the financially weak to the financially strong. Taxation in this manner upon those who are able to pay it ceases to be a burden. They can carry it so easily that it is not felt. A pound is a burden for a sick man to carry. A dollar is a burden for the poor to pay. But what is a dollar to the rich or a pound to the physically strong?

When the income tax is firmly established as a permanent law of this country it should be greatly improved and the amounts collected thereunder increased until most of the revenues of the country may be derived from this source. This will in itself solve all tariff difficulties.

The Nation's greatest need, summed up in the language of Secretary Bryan, is:

The protection of the people from exploitation at the hands of predatory corporations.

This he explains to mean:

It touches the average man, it touches the public in three ways: The tariff, the trusts, and the railroad question.

High tariff laws are a burden to the masses of the people for the benefit of the protected industries. Through high tariff rates enormous sums are extracted from the pockets of the producers of wealth and turned over to the beneficiaries of the protective system.

The trust question is the natural outgrowth of the tariff. Corporations combine and take advantage of the protection given by high tariff laws.

The Democratic Party offers a solution of these questions in the interest of the people as against the trusts and monopolies which have grown up under Republican rule, fast reducing the people to poverty, and threatening the very life of the Nation itself.

The homes, the farms, the workshops, and the free public schools are the great pillars in the temple of American liberty and progress, and labor is the corner stone of the entire structure. A system of what might be called legalized robbery, through the iniquitous tariff and special-privilege legislation, has gradually grown up under continuous Republican rule, until many of the necessities of life have gone beyond the financial reach of the man with average means. It has reached the point where many laboring men are unable to pay either the groceryman, the clothier, or his landlord without living half starved, half clothed, and half housed. The Republicans have always pretended to be the special friends of the laboring man, especially just before an election. Their wild effort to make the laboring man imagine that he has money in his pocket and diamonds in his shirt front, when he is compelled to wear overalls and go without a shirt, is ridiculous.

If the laboring men had been protected as the Republicans have promised, they would all be millionaires and need no protection.

We are also asked by Republicans to favor their high-protection scheme in order to promote "prosperity," forgetting and wanting others to forget that during President Roosevelt's administration, in 1907, we suffered one of the worst financial panics in the history of the country, when we could not even draw the little savings we had in the banks and were compelled

to pay our debts with wrapping paper, shoestrings, chips, and whetstones. This panic occurred under the high-tariff system. The effects of this panic are still felt in the business world. But the Republicans are long on howling prosperity and giving us poverty. They have won more campaigns on this false issue than anything else in the last 25 years. They are still continuing to howl it in every speech they make upon the tariff. They are using every possible effort to keep alive this old, dead issue.

The people have ceased to be disturbed by calamity howlers. They have emphatically expressed a desire to be relieved from the burdens heaped upon them by Republican rule. They have tried the Republican ideas of the tariff for half a century and are glad to have the opportunity for a change.

A great political revolution has swept over the country in the last few years. The first change was in the election of 1910, when the Republican majority of 47 in the House of Representatives was turned into a Democratic majority of 66. It was the record that the Democrats made in the Sixty-first Congress that elected the Democratic House. It was their record which also elected at that time 7 Democratic United States Senators to take the place of Republicans and 6 Democratic governors to take the place of Republican governors.

The Democrats got together and stayed together, and their example at that time has been extended to Democracy everywhere, and through this united effort great things have been accomplished. The Democrats are together now on the passage of this tariff bill and expect to remain so until it is a law upon the statute books. They have not been coerced by the President, as has been so frequently charged, by the use of patronage or by any other means. The question of patronage has never been mentioned by the President in connection with the vote of any Member of Congress on the tariff bill. No patronage has ever been given or withheld by the President because of the position of any Congressman upon any public question. Such charges by the opposition have not the slightest foundation and can not be substantiated. Such expressions come from the wildest imagination of the opposition and without the slightest reason. No President has ever been freer from such abuse of power. The President's purposes are too lofty and pure for him to even waste thought on such paltry motives. It is true that the President, like every other patriotic citizen—and especially when charged with this specific duty—has insisted on the passage of this bill. A large majority of the people of the Nation are insisting upon the same thing. The sentiment is universal throughout the land. It has become crystallized. The people as a whole want the bill passed, and passed as speedily as possible. The Democratic Party having been intrusted by the people to perform this service for them are united in a patriotic effort to accomplish this purpose. This is the secret of the united Democracy. We know if we fail to carry out this obligation to the people, as the Republican Party failed to carry out its obligation to them four years ago, we will receive the same rebuke from the people at the polls as the Republican Party received at the last election.

What were the causes of this great political revolution?

They are not difficult to discover. They can be expressed in a few words.

The Republicans promised to revise the tariff downward, and when they got into power on that simple promise they revised it upward.

For this the people of the United States punished them at the polls in 1910, and more than doubled the dose again in 1912. Men running for office should say what they mean and mean what they say, and when they have been successful they ought punctually and scrupulously to carry out their promises. The people deserve to be treated fairly and honestly. This is exactly what the Democrats propose to do now. This is why they are a united body in the Senate and House to-day.

While the Republicans in 1908 did not specifically say that they would revise the tariff downward, they did say that they would "revise" the tariff, and it was understood by everyone that this of course meant downward. Those in charge of writing the platform did not want to say that they would revise it downward, because they did not intend to do so. They intended to revise it upward, but the people understood it to mean downward, and a great many Republicans understood it the same way; and before the end of the campaign the Republicans on the stump were everywhere so declaring. So I am justified in saying that they made that promise, and that on that promise they got into power, and that without the promise they could not have won the election. Being drunk with victory, they revised the tariff upward; and now, knowing what happened to them for this betrayal of the people, they are trying

to compel the Democrats to do the same thing. Anybody can easily understand why they want us to make the same mistake.

They had about a dozen mathematicians or experts to figure the rates of the Aldrich bill, and who actually claimed that there was the enormous reduction of one-tenth of 1 per cent. But the Democratic mathematicians or experts figured that there was an increase of 1.07 per cent, and the Treasury Department accepted the Democratic figures, and the people of the country did also. The people have grown tired of broken pledges and promises, and will punish by defeat that political party which tolerates it. The time has passed when any political party can promise one thing and then do another.

Some of our Republican friends charge that the Democrats want to destroy business. This is a preposterous proposition and a thing incredible. This is a Democratic country as well as a Republican country. The Democrats are engaged in business as well as the Republicans, and want to succeed financially the same as the Republicans. It is to better business conditions and not to injure them which the Democrats hope and expect from this tariff legislation. It is the purpose of the Democratic Party to pass such laws as will give every man engaged in a legitimate business an equal chance with every other man. We believe with Thomas Jefferson in equal and exact justice to all men, and in equal rights to all and special privileges to none; and we are not going to be driven from this position.

Under the present tariff system almost every manufactured article made in the United States is sold in a foreign country cheaper than it is sold to us at home. This is un-Democratic and un-American. The Republicans formerly denied this proposition, but finally their leaders were compelled to admit it.

Kansas is one of the leading wheat-producing States in the Union. We produced last year 91,450,000 bushels; and, regardless of the drought this year and the exaggerated statements of the eastern newspapers, the crop report of the United States, issued August 8, gave the winter-wheat crop of Kansas this year at 86,515,000 bushels. This is about 50 per cent more winter wheat than was raised in any other State shown by this report, although from the reports in the eastern newspapers it would seem that in Kansas "the sky was brass and the earth iron" and that there is no Kansas crop this year.

This year's crop of wheat grades at 92 per cent, showing that the entire eighty-six and one-half million bushels of wheat raised in Kansas this year lacks only 8 per cent of being perfect in quality. Wheat is worth on an average of 80 cents a bushel, which brings to the Kansas farmer more than \$60,000,000.

But the American binder that our farmers pay \$135 for after being shipped by the manufacturer 17,000 miles across the sea to Australia and away over to Russia and other far eastern countries sells at about \$80.

The price of every bushel of wheat on earth is practically fixed in Liverpool. So when the Kansas wheat raisers ship their wheat to Liverpool it is offered in competition with the Australian wheat raisers, the South American wheat raisers, the East Indian wheat raisers, and the Russian wheat raisers, who get their American-made farming implements one-third cheaper than the farmers of Kansas.

FARMER BENEFITED; NOT INJURED.

Great effort has been exerted on the part of the Republicans in an attempt to establish that the farmer has been specially singled out in this bill and discriminated against. Scarcely a Republican speaker has omitted to make this charge. It seems to have been agreed upon as the Republican method for attacking the bill. They seem to think that because they have fooled the farmer for so many years in the belief that he was being benefited by the tariff, which was simply given him in order that they might tax the things which he must necessarily use upon the farm, that they can continue to fool him and regain his confidence by trying to prejudice his mind against this tariff bill. They know that the large vote of the country comes from the farmer.

The facts will not warrant any such accusation, and the effects of the bill will soon prove to the farmer the untruthfulness of the charge. Having been fooled by the cry of "wolf" so many times before by the Republican Party, simply in order to get his vote, the farmer will be somewhat reluctant in giving serious thought to the cry this time.

The truth is he will receive greater benefits from this bill than any other class of citizens, and he will soon find it out. In short, he will get everything he eats and everything he wears and everything he uses upon his farm cheaper than before, and will receive as much for his products as he ever did.

Some of the many articles which he is ordinarily required to buy and will receive free of duty under this bill are as follows:

FARMERS' FREE LIST—THINGS THE FARMER BUYS.

Agricultural implements: Plows, tooth and disk harrows, headers, harvesters, reapers, agricultural drills and planters, mowers, horse-rakes, cultivators, thrashing machinery, wagons and carts, and all other agricultural implements of any kind and description, whether specifically mentioned herein or not, whether in whole or in parts, including repair parts.

Bagging and gunny cloth.
Binding twine.
Bone-meal fertilizer.
Blankets.
Cream separators.
Cement.
Coal.
Coal tar.
Coffee and tea.
Cocoa.
Fruit trees for purposes of propagation.
Gloves.
Guano and manures.
Hones and whetstones.
Harness and saddles and saddlery.
Lumber: Poles, fence posts, handle bolts, shingle bolts, hubs, posts, staves, wagon blocks, heading blocks, boards, planks, deals, laths, pickets, palings, shingles, broom handles, logs sawed, sided, or squared, sawed boards, clapboards, and other lumber.
Nails: Cut nails and spikes, horseshoe nails, hobnails, wire staples, wire nails, spikes; horse, mule, and ox shoes; tacks, brads, and sprigs.
Needles.
Oil cake.
Oils for lubrication.
Petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and paraffin oil.
Salt.
Seeds.
Sewing machines.
Sheep dip.
Tanning material.
Turpentine.
Tin.
Wax.
Wire: Barbed and galvanized wire for all uses; wire for use in baling hay.

The claim is still made that we should vote for a protective tariff to support the infant industries. There are no infant industries in this country any more. Some of these industries for which they claim protection are more than a hundred years old. A man becomes of age at 21 and a woman at 18, on the theory, no doubt, that a woman knows more at 18 than a man at 21. These industries have certainly become of age and able to stand alone. When a child has grown up until it has reached a size and age to be able to whip the old man, it is certainly time to wean it.

Who collects the tariff?

Did anyone ever see an officer around collecting it?

We know who collects our State and county taxes. We also know just how much we pay.

The merchants of the country collect the tariff. They do not want to do it, but are compelled to under the tariff system. It reduces their profits, depresses their business, and requires them to keep much more invested than they otherwise would. But the Government has fixed up a scheme which compels the merchant to collect the tariff, and he does not receive a cent for doing it, either. I have often thought that if we were to go into a store and buy a bill of goods and pay the merchant what the goods were worth without any tariff and then have a revenue collector call upon us to collect the tariff, the system would not last very long; and surely, when the people discovered that most of the tariff money collected went to the manufacturer instead of the Government, it would not be paid.

The Earl of Chatham—one of the best friends this country had during the Revolutionary period—once said that if the British administration were to add one shilling to the pound in direct taxes, it would create a revolution; but that there was a way by which you could tax the bread out of a man's mouth, the coat off his back, the bed from under him, and the roof from over his head if you would only do it in a way that he did not know it.

This is a fair illustration of the operation of the high protective tariff system, which the Democratic Party by this bill hopes and expects to destroy.

The Democratic Party has simply said to the tariff barons, "Thou shalt not steal!"

These words were written on Mount Sinai by the hand of God on tablets of stone amidst a cloud of smoke and flashing lightnings, accompanied by roaring thunders, when the whole earth quaked.

These words are as sacred and vital to-day as when first written centuries ago. They form the principal ethos of modern political thought.

No political party can long endure without scrupulously following this injunction in all its official conduct.

Mr. ROOT obtained the floor.

Mr. O'GORMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to his colleague?

Mr. ROOT. I do.

Mr. O'GORMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	Norris	Smith, Ga.
Bacon	Hollis	O'Gorman	Smith, Md.
Borah	Hughes	Page	Smith, S. C.
Brady	James	Penrose	Smoot
Brandegee	Johnson	Perkins	Stephenson
Bristow	Jones	Pittman	Sterling
Bryan	Kenyon	Polindexter	Stone
Cañon	Kern	Pomerene	Sutherland
Chilton	La Follette	Ransdell	Swanson
Clapp	Lane	Robinson	Thomas
Clark, Wyo.	Lewis	Root	Thompson
Clarke, Ark.	Lippitt	Saulsbury	Thornton
Colt	Lodge	Shafroth	Tillman
Crawford	McCumber	Sheppard	Vardaman
Cummins	McLean	Shields	Warren
Dillingham	Martin, Va.	Shively	Williams
Fall	Martine, N. J.	Simmons	
Fletcher	Nelson	Smith, Ariz.	

Mr. McCUMBER. My colleague [Mr. GRONNA] is unavoidably absent from the Senate.

Mr. LEWIS. I desire to announce the absence of the Senator from Tennessee [Mr. LEA], a pressing matter making it necessary for him to be absent, and he requested that I make such announcement for the RECORD.

The PRESIDING OFFICER. Seventy Senators have responded to their names. A quorum is present.

Mr. ROOT. Mr. President, I understand that the subject of the gradation and scope of the income-tax provisions of the pending bill will be considered in the Democratic caucus to be held this evening, and I wish to suggest a view of the duty of Senators upon that subject before my Democratic colleagues reach their own conclusion, a conclusion which may not be open either to argument or persuasion after another report has been made to the Senate.

It goes without saying, sir, that what I have in mind is not controversial matter; it is not matter which I wish to present as a Republican against Democrats, but is matter which seems to me to appeal to every sincere legislator quite independently of any party affiliation or any views upon the questions of finance that have hitherto divided parties. Underlying the whole idea that I have in mind is this consideration: We are not at liberty to regard the imposition of an income tax by the Congress of the United States solely with reference to the direct relation between the Government and its individual citizens, but we must also consider the relations between the Government and the several States and between each State and its representatives and every other State.

The provision of the Constitution which requires direct taxes to be imposed according to the rule of apportionment was a shield provided for each State to protect it against oppression by any combination of other States. In entering into the Constitution every State was surrendering its own several powers to impose taxes upon its citizens and to enjoy the proceeds of taxation; it was surrendering that power to a body in which it was manifest there might easily arise a combination or a community of interest and opinion which would lead to taxation injurious to the State which was surrendering its power. In order to guard against that surrender ever being used to the vital injury of any State, this shield was set up before every State—the requirement that direct taxes should be levied in accordance with the rule of apportionment.

Sir, under the income-tax law which was passed and permitted under the stress and necessities of the Civil War, the limit of exemption was \$2,000, and there was no gradation of the tax beyond \$2,000. The larger incomes paid the same percentage as the smaller incomes subject to the tax; yet under that act the States of Massachusetts, New York, New Jersey, and Pennsylvania paid more than two-thirds of the entire tax. The report of the Commissioner of Internal Revenue for the year ending June 30, 1871, shows a total net receipt from the income tax of \$18,077,511, and of that the four States which I have named, contiguous to each other, including great industrial communities—Massachusetts, New York, New Jersey, and Pennsylvania—paid \$12,145,123. They did not complain then, sir; they do not complain now; but in the face of that fact they deliberately, I think all of them—I know my State of New York, which alone paid over \$7,000,000 of the \$18,000,000, which alone paid more than one-third of the entire tax—my own State voluntarily abandoned the protection which the Constitution gave through the rule of apportionment, and said to the

people of the United States, "We will maintain no safeguard against the fairness, the moderation, and the national sentiment of the people of the entire country."

I urged the Legislature of New York to do this in the face of the objection that the people of the West and South would tax New York to death if the protection of the rule of apportionment were abandoned. I am speaking now because I said then to my friends in New York, "No nation can live unless its people can depend upon the fairness and reasonableness of the whole people; and let us cease to depend upon an artificial protection and take our chance with the American people." We did so by approving the constitutional amendment permitting the imposition of an income tax without regard to the rule of apportionment.

Mr. President, it is certainly true that the voluntary surrender of this protection, which was a part of the terms of union, imposes a very high responsibility upon the representatives of the country at large in whose hands this vast and now uncontrolled power is vested. Remember that the protection of the rule of apportionment was a part of those compromises in the Constitution which gave to the smaller States the same representation in this body that the greatest State has; remember that when the States of New York and Pennsylvania and New Jersey and Massachusetts gave their consent to having the smaller and least populous States represented by as many votes in this body as any State was represented by, they did it with this protection.

You Senators—and I speak to every Senator now except my colleague from New York—are not responsible to the electors of New York; there is no sanction governing your action toward the people of New York except that sanction which rests in the approval of your own judgment and your own conscience and the sense of justice of the people of your own States. You are held to no responsibility in dealing with us now except the responsibility that you owe to your own people to be just to others.

So the State of Nevada, with 84,000 people, has as many votes in this body as has the State of New York, with 10,000,000 people, and the State of New York has voluntarily relinquished its constitutional protection against unfair taxation without asking any increase of its representation to correspond to its responsibility and to the possibilities of the contributions which may be required of it. So the assent of the great industrial communities, mainly in the East, to the imposition of an income tax without regard to the rule of apportionment and without any increase of their representation in this body, casts upon you, the representatives of other States, the highest obligation of consideration, moderation, and fairness toward those great States that trust in you to be fair and not to the protection of the old constitutional provision.

Now, what has been done? What is the situation?

The House passed an income-tax provision with an exemption up to an income of \$4,000 and with a tax graded up to a point where, I think, the largest incomes pay 4 per cent—the smallest 1 per cent, and then on up to 2 per cent, 3 per cent, and 4 per cent, the tax of 4 per cent being levied on incomes above \$100,000.

I beg that no one will misunderstand me as criticizing the principle. I am in favor of an income tax. I believe it is fair. I always have been in favor of it. I voted for the constitutional amendment. I urged it upon my people. I maintained it, and am ready to maintain it anywhere and everywhere. I want the people of my State to pay their fair share of the burdens of the country as part of one country. I am not quarreling either with the income tax or with a graded tax. But, sir, you must remember first, when you proceed to grade a tax, the proposition with which I started; that is, that you are not to have in mind only the relations between this Congress and the individuals, but you are to have in mind also the relations between this Congress and the States.

If you impose too great a burden upon the same people who paid two-thirds of the old income tax—that is, the people of the few States with the great industrial communities in them—you are diminishing the taxable resources of the States. The taxation with which we are now concerning ourselves is but a very small part of the burdens that are imposed upon the people of the United States. The State of New York—and I speak of that merely because I am more familiar with it than I am with other States—while it has great wealth has great demands. The requirements of the tremendously congested population that gather about that great gateway to this great country require enormous expenditures, and the State of New York has to look to its taxable resources to raise the money to render its service to the whole country.

Why, the expenditures of the city of New York for the year 1911 were over \$412,000,000. Where did we get that? Part of

it was borrowed, and we shall have to pay it in the future. But in the same year the direct taxes imposed and collected in the State of New York upon real and personal property amounted to over \$234,000,000. Besides that we tax inheritances, and we take more by the inheritance tax than is estimated to be taken in any of these grades—some \$13,000,000. We tax franchises, and we raised over \$10,000,000 from that source. A great variety of taxes is imposed besides the \$234,000,000 of direct taxes.

The result is that the people of the State of New York, and mainly the people whom you strike with this income tax, are the source of supply upon which the State of New York has to draw to pay these enormous expenses. It draws every year from them far more, double, nearly treble what you are expecting to raise from the entire people of the United States by the income tax. So you ought to remember that in imposing an income tax you should not be unfair as between the taxable resources of the State of New York and the taxable resources of all other States.

Of course this bill as it now stands is going greatly to increase the relative proportion that will be paid in these particular Eastern States. It is going to increase it, first, because of the gradation of incomes. The gradations as reported from the House are going to make an immensely greater draft on the taxable resources of the State of New York and reduce far more the moneys which that State will have available for its own purposes than the old income-tax law would have done.

If you go on putting up the rates, with no consideration in your minds except the fact that it is all right to put it to a rich man and take away from him as much as you can get, you are still more and more and more depleting the taxable resources of this State which has voluntarily put itself in your hands, trusting to your fairness as between State and State. The same result, sir, will follow from the change in the rate of exemption.

I suppose the great bulk, the vast majority of the people of this country, have incomes under \$10,000 a year—yes, under \$5,000 a year, under \$4,000, under \$3,000. The higher you put the exemption the more you are relieving the great mass of the people of the country, and relieving the people of the agricultural States, while concentrating the burden of the tax upon the States in which the men of large fortunes are mainly collected.

Something has been said, and very well said, in the debates in this Chamber about the desirableness of having a low limit of exemption. The Senator from Michigan [Mr. TOWNSEND], supported by the Senator from Minnesota [Mr. CLAPP], said the other day that it was desirable—and I wish to give my adherence to his proposition—that everybody in the country, so far as possible, should feel that he contributed something toward the support of the Government. I do not think that is met by the proposition of my friend from Idaho [Mr. BORAH] that the poor man pays because of the indirect tax. That is rather figurative. He does not really pay anything. He may be subjected to difficulties or hardships, it may cost him more to live, because of the indirect tax, although I do not think there is any substance in that; and certainly there will not be any to speak of under this bill, because you are putting almost everything he uses on the free list. But it does not meet the important case that we do not want a government that is something different from the people. We do not want one set of people who are governing and paying the expenses and another set of people who feel as if they had no part in it, and are therefore against it.

A sense of participation on the part of every American citizen in the operations of government, a feeling of some sacrifice on his part to keep it going and to maintain it, is of the highest importance for the perpetuation of a spirit of patriotism and loyalty to the Government, as well as the maintenance of a vigilant oversight upon the expenditure of money, and sensitiveness to extravagance.

But there is another thing which ought to be kept in mind in dealing with the limit of exemption. I have already said that the great mass of the people of the country are the people of small incomes. That is especially true of the great agricultural States. The men with large incomes tend toward the large cities. Somehow they find more agreeable ways of spending their incomes there for their own pleasure. When you put the limit of exemption up to \$4,000, or even to \$3,000, you are producing a tax to which the people of Mississippi, my friend; of Arkansas, my friend; of South Dakota, my friend; of Kansas, of North Dakota, and all the other great agricultural States, will contribute hardly anything. Why, the estimate of the whole amount that will be received upon incomes under \$10,000 is only \$6,000,000—less than a tenth of the whole—and when

you consider that the great bulk of the incomes under \$10,000 are incomes under \$3,000, what you are doing in this bill is to levy a tax upon others, not upon your own constituents. I say, when you put the exemption at \$3,000 you are in substance exempting your constituents and concentrating the entire burden of this tax upon my constituents and the constituents of a few other Senators who represent the great industrial communities and who have deprived themselves of their constitutional protection and have thrown themselves upon your fairness and justice.

Sir, anyone of any nobility of character is ready to go under burdens for his country to those who say, "Come!" But how long will a comparatively small part of the country be willing to bear practically the entire burden at the behest of those who say "Go"?

You are not inviting the people of the great industrial communities to share in the burdens of American citizenship in proportion to their means. You are inviting them to take the whole burden, and to take it off your shoulders. You are doing that by the power of the vastly disproportionate and superior representation given to you because you represent sovereign States; because the people of the great industrial communities, having reliance upon the moderation and reasonableness of their sister States, voluntarily abandoned the protection given them by the original provisions of the Constitution.

Mr. President, whatever bill is passed here, I shall not regret that we have voluntarily laid aside the protection of the rule of apportionment. I think that great, great moderation and care should be exercised in fixing the graded income tax with reference to depleting the treasuries and the taxable resources of other States. I think the exemption ought to be put not at \$3,000 but at \$1,000, to the end that all the people of the country may share in the maintenance of government, and to the end that no section of the country may feel that it is being required to bear a burden in which all are not ready to share according to their means.

But whatever the bill is I still shall not regret that the people of my State have voluntarily abandoned the protection of the original provision of the Constitution, because I am sure the American Union can not endure nor can free government be maintained unless the representatives of our people have that self-control over passion and prejudice, whether it be of class or of section, that wisdom and moderation, which will lead them to be just toward all their fellow citizens and toward every section of our great and beloved land.

Mr. SIMMONS. Mr. President, I ask that the Secretary read the next paragraph.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The SECRETARY. On page 47, paragraph 163 was recommitted to the committee on August 12.

Mr. THOMAS. I ask unanimous consent for the reconsideration of paragraph 155, to the end that a necessary amendment may be made at the end of it.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 46, paragraph 155, line 2, after the words "ad valorem" and before the period, it is proposed to insert a comma and the words "on the lead contained therein."

Mr. SMOOT. That is at least just, whether it will operate or not. Of course, from a protective standpoint, I should like to see it stand as it is.

Mr. SIMMONS. We are delighted to have the approval of the Senator from Utah to something in the bill.

Mr. SMOOT. The Senator from Utah is trying to make the bill as good as it can be.

Mr. THOMAS. Yes; the Senator has made several very good suggestions.

The PRESIDING OFFICER (Mr. CHILTON in the chair). The question is on agreeing to the amendment as reported.

The amendment was agreed to.

Mr. SUTHERLAND. Mr. President, let the amendment be restated.

The PRESIDING OFFICER. The Secretary will restate the amendment.

The SECRETARY. In paragraph 155, page 46, line 2, after the words "ad valorem" and before the period, it is proposed to insert a comma and the words "on the lead contained therein," so that, if amended, it will read:

All the foregoing, 25 per cent ad valorem on the lead contained therein.

The PRESIDING OFFICER. The amendment has already been agreed to.

The SECRETARY. Paragraph 163 was recommitted to the committee on August 12, 1913.

Mr. THOMAS. Mr. President, the committee proposes an amendment to paragraph 163, and, in necessary connection with it, another amendment to paragraph 167. It is the transposition of an item from one of the paragraphs to the other.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 47, paragraph 163, in lines 9 and 10, it is proposed to strike out the words "including time detectors, whether imported in cases or not."

Mr. SMOOT. Do I understand the Senator to ask that the words on line 10, "whether imported in cases or not," be stricken out?

Mr. THOMAS. That is to be transposed to another section.

Mr. LODGE. Let us hear the whole amendment.

Mr. HUGHES. "Including time detectors."

The SECRETARY. It is proposed to strike out the words "including time detectors, whether imported in cases or not," and the comma.

Mr. LODGE. Is that all?

The SECRETARY. On page 47, line 9, it is proposed to strike out the words "including time detectors" and the comma.

The amendment was agreed to.

Mr. LODGE. Is that all?

The SECRETARY. On page 49, in paragraph 167, line 18, after the word "presses," it is proposed to insert "including time detectors."

Mr. SMOOT. The word "including" should not be in that amendment. It should be just the words "time detectors."

Mr. LODGE. Printing presses do not include time detectors under any construction.

The PRESIDING OFFICER. The question is on agreeing to the amendment as reported.

Mr. LODGE. One moment, Mr. President, before the amendment is agreed to. It seems to me that does not meet the difficulty about time detectors at all. The difficulty about the duty on time detectors is that you can not get the proper rate unless you impose a specific duty and base it on the number of jewels. If you make it an ad valorem duty and make it 25 per cent instead of 30, you still give them a great deal more than they have now.

Mr. HUGHES. We make it 15 per cent, I will say to the Senator, and it figures out—

Mr. LODGE. Oh, I thought it was 25 per cent.

Mr. HUGHES. No; it figures out just about—

Mr. LODGE. Yes; that figures it out. Twenty-five per cent was too much.

Mr. THOMAS. The change was made in accordance with the brief that was filed with the committee by the manufacturers of time detectors.

Mr. LODGE. Certainly; that brings it out right. I just glanced at it and saw "25 per cent." It caught my eye, and I did not see the "15 per cent." That is correct.

It is an improvement on the paragraph, of course, in taking that out, but the objection to watch movements seems to me to remain just the same. I have made that statement, and I will not go on any further about it.

The amendment was agreed to.

Mr. BRANDEGEE. I understand we are now on paragraph 163?

Mr. THOMAS. Paragraphs 163 and 167. There is a transposition.

Mr. BRANDEGEE. I wish to offer an amendment to paragraph 163. Is the paragraph open to further amendment at this time?

Mr. THOMAS. I will say, if the Senator will permit me, that the committee reports back paragraph 163 with the amendment which has just been considered, and in that connection an amendment to paragraph 167. We did that for the purpose of getting the RECORD straight.

Mr. BRANDEGEE. I will say to the Senator the amendment I desire to offer is one in relation to clocks, which I called to the attention of the Senate and the committee at the time this paragraph was under consideration before, and also in connection with paragraphs 81 and 82. Paragraphs 81 and 82 and paragraph 163 deal with different kinds of clocks. In paragraph 81, on page 21, the language is:

Including clock cases, with or without movements.

The same language is repeated in paragraph 82, line 19, on page 21.

I suppose including clocks with movements means a complete clock. In paragraph 163, on page 47, the language is:

All other clocks and parts thereof, not otherwise provided for in this section, * * * not composed wholly or in chief value of china, porcelain—

And so forth—

30 per cent ad valorem.

It is immaterial to me whether I present the amendment to this paragraph now or wait until some other time. I simply call attention to it because the Senator from Colorado presented an amendment to the paragraph.

Mr. THOMAS. Paragraphs 81 and 82 were passed yesterday with the understanding that the Senator from Washington as well as the Senator from Connecticut could afterwards return to them.

Mr. BRANDEGEE. I remember. I am talking about paragraph 163.

Mr. THOMAS. I understand.

Mr. BRANDEGEE. I want to conform to the wish of the committee as to whether to offer my amendment now to paragraph 163 or wait until we reach it at some other time.

Mr. THOMAS. The Senator can do as he likes about it.

Mr. BRANDEGEE. Very well. Then I offer an amendment to come in on page 47.

Mr. LODGE. It is a passed-over paragraph. It is open to amendment.

Mr. BRANDEGEE. Yes. Therefore I offer the amendment. I move, on page 47, in line 16, to strike out the numerals "30," near the end of the line, before the words "per cent," and insert in lieu thereof the numerals "40."

I will state in this connection, Mr. President, the reason why I am offering the amendment. I stated at the time the paragraph was previously before the Senate that the clock business in this country is one of the oldest manufacturing processes known. There are in my State quite a number of manufacturers making various kinds of clocks.

I put into the RECORD a letter which I had received from the president of the clock company located in the city of New Haven, Conn., giving the argument, accompanied by statistics, and all the matters relative thereto which he had presented to one of the committees either of the House or the Senate, and some correspondence I think which he had had with the chairman of the Senate Committee on Finance in relation to the subject.

Without imposing upon the time of the Senate except very briefly I will simply rehearse the salient features of the situation. This New Haven factory makes principally the cheap alarm clocks. They involve passing through some 200 different operations before one of the little round nickel-plated alarm clocks, which retails for about a dollar I think, becomes perfected.

The cost of making these clocks was given in detail item by item by the president of the company, and it appears in the RECORD. The situation is this: There is the closest kind of competition not only in this country but between this country and foreign countries in these articles, particularly between us and the Germans. The facts that I put into the RECORD at the time the paragraph was previously passed upon show that this clock, which it costs 45 cents to make in this country, can be laid down here, duty paid, by the German competitor for 35 cents.

This New Haven factory employs 2,000 skilled mechanics. They can not conduct this business in competition with the German competitor under the rate of 30 per cent proposed by the committee, which is reduced from 40 per cent, equivalent to a reduction of 25 per cent. It is simply a question whether that industry, and I have given simply one type of it in this New Haven company, shall be continued in this country or not.

Mr. McLEAN. Mr. President—

Mr. BRANDEGEE. I yield to my colleague.

Mr. McLEAN. I will state to my colleague that the clock retails for \$1.50.

Mr. BRANDEGEE. I am glad to know that. I had stated the price at \$1.

Mr. McLEAN. If the Senator will pardon me, I have in my room a clock made in Germany, and it sold in New York for 53 cents. That same clock can be purchased in Washington for \$1.56, which shows how the ultimate consumer is affected by the tariff.

Mr. BRANDEGEE. The fact is the clock costs the factory something like 45 cents, and their selling price is very little above that; and yet it retails, as my colleague says, at \$1.50. The information I put in the RECORD at the time shows that the factory makes but about 6 per cent. I think it makes just that at present, and the factory can not compete, even on the theory that we want to put our industries upon the most severe competitive plane with their foreign competitors. There is no escape from the instance which I present, and they will either go out of the business in this country or cut the wages of the employees in this industry. As it is now, I remember the president of the company stated the life of one of these clocks is over two years, and the factory cost is 45 cents. Anyone can figure out

himself, if he has time to take a lead pencil, what the cost to the purchaser would be of a dollar-and-a-half clock that lasts two years. It is 75 cents a year, a little over a penny a week. How much of that cost to the ultimate purchaser of a penny a week would be saved by the substitution of the German clock laid down here at 33 cents instead of the American-made clock at 45 cents anyone who can go into the refinement of decimals to a sufficient limit can figure for himself.

But the fact at home that hurts and pinches is that 2,000 skilled American mechanics are now employed in this one concern, who depend for their living and that of their families upon this industry, and all the money that they make and spend in other ways contributes to other productive enterprises in this country. The fact remains that that concern is to be put out of business and those men are to be discharged owing to what the ordinary person would think was not a very serious matter, a mere hasty reduction of a tariff duty from 40 per cent to 30 per cent ad valorem. That is the effect of it in its ultimate analysis.

These clocks are at any rate an industry important enough to have a separate classification, in my judgment, and to have—I will not say more careful consideration than the question has had, because I do not know how much care has been given to it. It may be that in the tremendous amount of work that has been dumped upon the Finance Committee in the preparation of this bill, involving 4,000 or 5,000 items, they have not had time to consider carefully enough this particular feature of it, although the facts and the statistics were presented by the president of the company in the form of a brief. But I do not know and can not state whether all the members of the committee had time to pursue all the briefs that were dumped upon them. I suppose they did not.

I can not do more than I have done in offering the amendment, which I submit to the consideration of the Senate.

Mr. THOMAS. I simply wish to say that the subcommittee gave as close attention to the consideration of this paragraph as was possible; perhaps not an exhaustive consideration, but as much as possible, and they determined to make no change in the rate fixed by the House, largely because the exports of this particular commodity are three times the amount of the imports, showing that it is an independent industry.

Mr. BRANDEGEE. I stated at the time, bearing upon the observation of the Senator from Colorado, that the exports of this commodity are principally to Canada and to Mexico, and the clocks are exported there because they get them so much quicker than they would by importing them from abroad. They are not exported to the competing countries at all; and the reason why they can be exported to these countries in competition, in addition to the time in their favor, is because of the preferential trade agreements that exist between our country and the countries to which they are exported.

Mr. THOMAS. There is a preferential agreement between Great Britain and Canada that is 33.3 per cent to the disadvantage of this country.

Mr. BRANDEGEE. I am informed the other way. The matter I put in the RECORD I think was reliable. The president of the company had examined it very carefully.

Mr. SMOOT. Mr. President, I am not going to offer an amendment, nor detain the Senate more than a minute. I simply want to call the attention of the Senator from Colorado to the working out of paragraphs 163 and 81 and 82. Paragraph 163, on page 47, provides that—

All other clocks and parts thereof, not otherwise provided for in this section, whether separately packed or otherwise, not composed wholly or in chief value of china, porcelain, parian, bisque, or earthenware, 30 per cent ad valorem.

Paragraph 81, on page 21, line 2, provides a rate of duty of 35 per cent ad valorem on certain items including clock cases with or without movements. In other words, if an importer desires hereafter to import a clock with a china, porcelain, or bisque case, he will of course import the case without movements, and will import the movements under paragraph 163, at a rate of 30 per cent instead of 35 per cent for the case. That will be the result of the working out of the bill.

The PRESIDING OFFICER. The Senator from Connecticut offers an amendment, which will be stated.

The SECRETARY. On page 147, paragraph 163, line 16, before the words "per cent," strike out "30" and insert "40."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. BRANDEGEE].

The amendment was rejected.

Mr. THOMAS. I ask unanimous consent to reconsider paragraph 164 for the purpose of adding an amendment in line 13.

The PRESIDING OFFICER. Without objection, the paragraph will be reconsidered. The amendment will be stated.

The SECRETARY. In paragraph 164, page 148, line 13, after the words "ad valorem" add the words "upon the zinc contained therein."

Mr. SMOOT. Mr. President, just one question. I have not looked up that amendment, but I want to ask the Senator. Suppose they import zinc-bearing ores into this country, and they include lead ores as well, but the zinc is of the greater value? I have not noticed anything in the bill that would provide for that. I ask the Senator if it should not be provided for?

Mr. THOMAS. I should think that the lead content would be dutiable under paragraph 154 and the zinc content under paragraph 164.

Mr. SMOOT. The trouble is that one provides for a lead ore and the other provides for a zinc ore.

Mr. THOMAS. But upon the lead and zinc contained therein.

Mr. SMOOT. That is true. If the ore is shipped as zinc ore, there is a greater value, of course, of zinc. Words ought to be added to the amendment of the Senator—

Mr. THOMAS. What would the Senator suggest?

Mr. SMOOT. This is what I am thinking of: There are zinc ores imported into this country containing lead.

Mr. THOMAS. And vice versa.

Mr. SMOOT. Yes; and vice versa. In the old law there is a provision to take care of that, but I have not noticed whether there is such a provision in this bill or not. That, of course, can be looked up afterwards, if the Senator has not had his attention called to it.

Mr. THOMAS. The words just offered are not in the old law at all.

Mr. SMOOT. No; because there is a provision in the old law which takes care of that. I will not take the time of the Senate further than to call attention to it.

Mr. THOMAS. Very good. If anything needs rectification, it can be easily returned to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is paragraph 151, on page 50 of the bill, passed over at the request of the Senator from Michigan [Mr. TOWNSEND].

Mr. SMOOT. There is one paragraph that I should like to call the attention of the Senator from Colorado to before we reach that paragraph that was passed over, and that is paragraph 168. The Senator will remember I asked that there be an amendment made to that paragraph.

Mr. THOMAS. Yes; that was considered and the full committee objected to the amendment. It was presented along the line of the Senator's suggestion to the full committee, but was not approved. The Senator is referring to surgical and dental instruments?

Mr. SMOOT. I suggested to include in that amendment "surgical or dental instruments or parts thereof."

Mr. THOMAS. The committee did not approve of that amendment.

Mr. SMOOT. The committee refused to accept the amendment?

Mr. THOMAS. Yes.

Mr. SMOOT. Mr. President, so that the record will be straight, I desire at this time to offer an amendment to paragraph 168. After the word "nippers" I move to insert a comma and the words "and surgical and dental instruments and parts thereof."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In paragraph 168, page 49, line 24, after the word "nippers" insert a comma and the words "surgical and dental instruments or parts thereof."

The amendment was rejected.

Mr. BRANDEGEE. To paragraph 167, on page 49, I submit an amendment in line 21.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Paragraph 167, page 49, line 21, after the words "ad valorem," insert "engraved rollers, mills, or dies used for printing or embossing, 45 per cent ad valorem."

The amendment was rejected.

Mr. THOMAS. My recollection is that paragraph 169 was also passed over to accommodate the junior Senator from Massachusetts [Mr. WEEKS].

Mr. SMOOT. It was passed over, but was afterwards considered and agreed to.

The PRESIDING OFFICER. It is the recollection of the Chair that it was agreed to.

Mr. BRANDEGEE. In regard to paragraph 169, I received a letter some time ago from one of the factories in my State.

They think that there is a doubt whether brass would be comprehended in that paragraph. Inasmuch as it takes in lead, copper, nickel, and pewter I would like to have brass substantially mentioned, if there be no objection to it. It says, "or other metal, but not plated with gold or silver."

Mr. THOMAS. Do not the words "or other metal" cover it?

Mr. BRANDEGEE. I think to insert the word "brass," unless there is some objection to it, would put the matter beyond question. If the Senate is not ready to act upon it now, I will just offer the amendment.

Mr. THOMAS. I do not see any objection to it.

Mr. BRANDEGEE. Then, after the word "copper," line 6, page 50, I move to insert the word "brass."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 60, after the word "copper" and the comma, insert the word "brass" and a comma.

The amendment was agreed to.

The PRESIDING OFFICER. The next paragraph passed over will be read.

The SECRETARY. The committee proposes to strike out paragraph 171 as printed in the bill and to insert a new paragraph, as follows:

171. Cedar commercially known as Spanish cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, and satinwood; all the foregoing when sawed into boards, planks, deals, or other forms, and not specially provided for in this section, and all cabinet woods not further manufactured than sawed, 10 per cent ad valorem; veneers of wood, 15 per cent ad valorem; and wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

Mr. HUGHES. I move to strike out the semicolon on page 51, line 1, and insert a period.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 51, in the committee amendment, line 2, after the words "ad valorem," strike out the semicolon and insert a period.

The amendment to the amendment was agreed to.

Mr. HUGHES. Now I move to strike out the language following the period to the end of the paragraph.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Strike out lines 2, 3, and 4 in the committee amendment, in the following words:

And wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The SECRETARY. The next paragraph passed over is on page 51, paragraph 174, boxes, barrels, or other articles, and so forth.

The first amendment of the committee has been agreed to.

The second committee amendment is, in line 13, after the word "pomelos" and the comma, to insert "or other fruits."

The amendment was agreed to.

The SECRETARY. In line 16 the committee report to strike out the words "orange and lemon" before "boxes" and in lieu to insert "fruit."

The amendment was agreed to.

The SECRETARY. In lines 17 and 18 the committee report to strike out "orange and lemon" before "box" and insert "fruit."

The amendment was agreed to.

The SECRETARY. In line 19 the committee report to strike out, after the words "filled with," the words "oranges and lemons" and insert the word "fruit."

The amendment was agreed to.

Mr. HUGHES. I ask that the paragraph in its amended form be passed over for the present. It is my recollection that the Senator from Maine [Mr. JOHNSON] has an amendment to offer to the paragraph. I do not see him present at this time. I ask unanimous consent that the paragraph be passed over temporarily until the Senator from Maine comes in.

The PRESIDING OFFICER. Without objection, the paragraph will be temporarily passed over.

The SECRETARY. On page 52, paragraph 176 was passed over at the suggestion of the Senator from Washington [Mr. JONES].

Mr. JONES. I desire to offer an amendment. This is a matter of very great importance to our State. While I do not like to delay the Senate, I do feel that there ought to be more Senators present to hear the discussion with reference to this question. I think it will appeal to their sense of justice and fairness. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Norris	Smith, S. C.
Bacon	Gallinger	O'Gorman	Smoot
Bankhead	Hollis	Overman	Stephenson
Bradley	Hughes	Page	Sterling
Brady	James	Perkins	Stone
Brandegee	Johnson	Pittman	Sutherland
Bristow	Jones	Polindexter	Swanson
Bryan	Kenyon	Reed	Thomas
Cañon	Kern	Robinson	Thompson
Chamberlain	La Follette	Root	Thornton
Chilton	Lane	Saulsbury	Tillman
Clapp	Lippitt	Shafroth	Vardaman
Clark, Wyo.	Lodge	Sheppard	Walsh
Clarke, Ark.	McCumber	Sherman	Warren
Coit	McLean	Shields	Williams
Crawford	Martin, Va.	Shively	Works
Cummins	Martine, N. J.	Simmons	
Dillingham	Myers	Smith, Ariz.	
Fall	Nelson	Smith, Md.	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. There is a quorum present.

Mr. JONES. Mr. President, I desire to offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Washington will be stated.

The SECRETARY. In paragraph 176, page 52, line 7, after the word "thousand," it is proposed to insert "shingles, 40 cents per thousand"; and in the free list, on page 157, line 3, to strike out the word "shingles."

Mr. JONES. Mr. President, in this bill shingles are placed on the free list. They now bear a duty of 50 cents per thousand. The effect of my amendment is to strike shingles from the free list and put them on the dutiable list at 40 cents a thousand, or a reduction of 20 per cent.

I can hardly believe that the question with reference to placing shingles on the free list or the dutiable list was given any very careful consideration by the committee. I can not understand why shingles should be placed on the free list upon any theory of tariff revision. To place shingles on the free list can not be in accordance with the theory of tariff for revenue, because that releases all the revenue, while with a small duty of 40 or 50 cents a thousand shingles would bring into the revenues of the Government two or three hundred thousand dollars per annum.

Then, to place shingles upon the free list is contrary to one of the declarations of the Democratic platform, and that is that they do not propose in tariff measures to reduce revenues in such a way as to injure any legitimate industry, because the shingle industry is certainly a legitimate industry, and that placing them on the free list will do a great injury to the industry. I think I shall be able to show.

We have often been told in the consideration of the pending bill when a proposition was made to put an article on the free list that the committee thought the Government needed a duty on that article for revenue purposes. The tariff on shingles can not be counted as anything more than a tariff for revenue. The duty is now only a little over 20 per cent ad valorem—50 cents a thousand.

I am willing and our people are willing, without special protest, to accept the provisions in this bill with reference to the lumber industry and lumber products generally. Our people have recognized that the people of the country generally demand that lumber and lumber products, as a general rule, should be put on the free list, and that it will be useless for us to object. So we are not making objection to those provisions of the bill, though we think that they are very unjust and that they will work great injury to a great industry in our State. The shingle industry, however, while a part of the lumber business, is a distinct industry in itself and should be considered separately.

I want to call the attention of the Senate to the fact that when the lumber schedule in the Payne-Aldrich law was under consideration, while it was generally conceded that there should be a material reduction in the duty on lumber, yet, after extensive hearings and a careful consideration, it was determined that the shingle industry, or the shingle part of the lumber industry, required an increase of the tariff, and so shingles were one of the articles in the Payne-Aldrich law on which the duty was increased from 30 cents a thousand to 50 cents a thousand. Our Democratic friends, without considering the interests that are dependent upon this tariff, take all this duty off; there is not a gradual reduction; the conditions are not taken into account and the tariff revised so as not to threaten any injury to this industry, but the tariff is entirely taken off and shingles are placed upon the free list.

What does this industry mean to our State? It is not a small matter, but it is one of our greatest industries. The value of

the production of shingles in this country is \$30,000,000; the production in number of shingles is from twelve to fourteen billions; and of that amount the State of Washington produces two-thirds, or about 8,000,000,000 shingles, of the value of nearly \$20,000,000.

We have in our State about 500 shingle mills. They are small establishments; they are independent of each other. You can not say that you ought to put shingles on the free list because they are controlled by a trust, for they are not. There is probably no industry of a similar size in the country where the different units of it are so independent of each other as in the shingle industry. So I say in my State we have nearly 500 independent, separate mills producing shingles, whose interests are entirely disregarded by the terms of this bill. We employ about 15,000 men in this industry, and, reckoning two or three to the family, we have thirty or forty thousand people dependent upon those 15,000 men, or about 60,000 people in our State dependent upon this industry for employment, wages, support, education, and a comfortable living.

The annual pay roll for the laborers employed in connection with the shingle industry in my State amounts to about \$7,500,000; the product, as I have said, is valued at about \$20,000,000; the property invested in this industry is about \$4,500,000 in the mills, about \$1,500,000 in the logging camps, and about \$10,000,000 in timber; so that there is a capital invested of about \$20,000,000 in my State alone in the shingle industry. This will give you some idea as to the importance of this industry.

Mr. SMITH of Arizona. Mr. President, will the Senator from Washington permit me to ask him what was the amount of the labor cost on those shingles? Was it seven and a half million dollars?

Mr. JONES. No; that is not the labor cost. That is what was paid to labor as wages to the employees and the mills.

Mr. SMITH of Arizona. That is what I meant—the labor. There was an annual production in dollars of how much?

Mr. JONES. The production is estimated at from seventeen to twenty million dollars.

Mr. SMITH of Arizona. Seven and a half million dollars in actual labor and twenty million dollars in actual production. That would leave nearly \$13,000,000 received every year. How much capital is invested, according to the Senator's figures?

Mr. JONES. Twenty million dollars.

Mr. SMITH of Arizona. Making an investment, including the amount paid for labor, of, say, \$27,000,000 and a gross income every year of \$20,000,000, leaving a net income of \$13,000,000 to the owners. The reason I am asking this question is that in my particular part of the country, under the present law restricting our right to use the timber growing at our doors, it is just as cheap to build with stone and to cover with steel as to attempt to get shingles from the Senator's part of the country into ours. Is this burden of a tax of 50 cents, or any other figure, raises the price of shingles any higher, when you are showing such a profit in that industry, it ought not to be imposed, and I think the Senator ought to concede that we have a right to purchase shingles at some reasonable price.

Mr. JONES. But the Senator does not understand that the difference between seven and a half millions and twenty million dollars is all profit, does he?

Mr. SMITH of Arizona. Of course not. In that your invested capital has to be figured.

Mr. JONES. Certainly; and there is machinery.

Mr. SMITH of Arizona. I say the invested capital, which includes the machinery, and your timber must be considered.

Mr. JONES. No; the estimate does not include machinery. I do not know how much there is allowed for that.

Mr. SMITH of Arizona. I was including that in capital. The Senator has said that \$20,000,000 is the income in one year. Seven and a half million dollars, as the Senator says, is paid for labor, which leaves nearly \$13,000,000 profit, excluding the machinery and lumber and the other investments necessary to carry on the business. It seemed to me from that, without being critical with my friend, that the profits are large enough to the owners to permit us to buy shingles a little cheaper, provided the Senator contends that the tax raises the price to us.

Mr. JONES. I will not contend that the tax raises the price to you; in fact, I think I will show before I am through that the increase of the tariff rate under the Payne-Aldrich law did not increase the price of shingles one penny or one cent per thousand of shingles.

Mr. SMITH of Arizona. Then why did they need it? What was the purpose of it?

Mr. JONES. I will show that, if the Senator will merely give me an opportunity, although I did not intend to discuss the

whole tariff proposition; I did not intend to discuss all the principles of a protective tariff. I thought I would merely present the facts here to the Senate and not take the time of the Senate in the discussion of these controversies, about which we might argue from now until Christmas and still my friend from Arizona would have his views about the tariff and I should have mine.

Mr. SMITH of Arizona. If the Senator will permit me, I have not said a word since this debate on the tariff began.

Mr. JONES. I have not said many words.

Mr. SMITH of Arizona. I do not intend to say many until it is ended; but if the Senator will feel as sorry for the remainder of us as I have felt for myself when hearing the editorials and endless talk of the candidates for office on this bill, he will understand that I would not say a word to him that would induce him to utter a single solitary additional word in the matter. I was asking the questions largely for my own information.

Mr. JONES. Of course, I do not know what the Senator means by referring to candidates for office. I am presenting a matter which I consider of vital importance to the people I in part represent, and will take no more time in doing so than I deem absolutely necessary. I have not said that the difference between \$7,500,000 and \$20,000,000 is profit. It is not. A large amount is paid by some mills for shingle timber—mills that do not own their own timber. There are various other items of expense, and, as a matter of fact, not much profit has been made during the last few years, and some of the owners of mills have made no profit at all, as I will show. Shingles are not high between the manufacturer and his purchaser, no matter what the price may be when they reach the country of my friend from Arizona.

Mr. MARTINE of New Jersey. Mr. President, will the Senator yield to me a moment?

Mr. JONES. Certainly.

Mr. MARTINE of New Jersey. I want to ask why especially protect shingles in contradistinction to clapboards used on the side of a house? Why should shingles be especially favored over clapboards? The Senator says he deems the manufacture of shingles a very special industry. Now, why should they have any better treatment than the clapboards which are used to protect the side of the house from the east wind?

Mr. JONES. Well, Mr. President, from my standpoint of protection, if the clapboard industry needs protection, it ought to have it. I have not given any special consideration to the clapboard industry. I do not know just what—

Mr. MARTINE of New Jersey. But I ask why in all reason should a shingle have any better protection than a clapboard?

Mr. JONES. I should like to ask the Senator why should there be a 25 per cent duty on toothpicks, as provided in this section, and none on shingles?

Mr. MARTINE of New Jersey. Well, there is a good deal of difference between the manufacture of an infinitesimally small article such as a toothpick and the manufacture of a shingle; but for my own purposes I would have toothpicks as free as I would have shingles, and I would have shingles as free as I would have toothpicks.

Mr. JONES. Yes; but I find a 25 per cent duty on toothpicks and you will vote for it.

Mr. MARTINE of New Jersey. The Senator says there are hundreds of little shingle mills scattered through the length and breadth of his State, and that anybody can engage in the business. I can not see why an article so absolutely necessary for the well-being of the hearthstone and the home as a shingle should not be made free of tariff tax.

Mr. JONES. I would not oppose a reasonable tariff. The tariff rate on shingles now is only 20 per cent ad valorem; and I am offering an amendment that cuts it down lower than that. I am offering an amendment making the duty only 40 cents a thousand.

Mr. MARTINE of New Jersey. The reason I interposed, not unduly to interrupt the Senator, was that I could not understand why shingles should be especially favored over clapboards.

Mr. JONES. I am not framing this bill, I am sorry to say, and I am not opposing a duty on clapboards. If those interested in clapboards show that they need protection I will be glad to favor such a proposition. I think the needs of each industry should control and not whether or not a duty is placed on some other product.

Mr. MARTINE of New Jersey. The Senator is presenting the shingle question?

Mr. JONES. Yes.

Mr. MARTINE of New Jersey. And the Senator has said that the constituency in his State, in deference to public opin-

ion, have opened their eyes to the solemn truth that the people were surfeited with tariff protection—he did not say that, but he meant that they had enough of it.

Mr. JONES. No, no; I did not mean that. The Senator misunderstood me.

Mr. MARTINE of New Jersey. The Senator said that they realized that the country demanded a reduction of duties; and, as an intelligent constituency, of course they knew what that meant. They felt that the protected industries had been tapping the people long enough, and now they were willing to let up, simply because the people said, "We will not give you this pap any longer."

Mr. JONES. I did not intimate anything of that sort. I simply suggested that our people recognized the inevitable; that they simply accepted free lumber because they had to; and that they are going to accept it, with reference to the lumber industry generally, without any particular kicking. That is all.

Mr. President, I simply wanted to present the facts with reference to the shingle industry and not discuss the whole tariff question. It seems to me that if I were a Democrat I could justify a small tariff duty on shingles from a revenue standpoint. As I said awhile ago, when we ask to have some article placed on the free list you have answered us many times that you want revenue; that you must have the revenue. Now, with a tariff duty on shingles of 50 cents a thousand you get about \$250,000 of revenue a year, although the duty is only a little over 20 per cent ad valorem, which is a very small revenue rate, so far as that is concerned; but instead of giving us even a revenue rate, with whatever incidental protection might go with it, you simply wipe out the duty entirely, without taking into account what effect it may have upon this industry, which is especially important to our State.

As to labor conditions, of course, Mr. President, they will not appeal to my Democratic friends. They are not concerned about them and do not take them into account in framing the bill. If I find that I can not appeal to them at all upon the ground of revenue, if I can not get any response from that standpoint, of course, I do not expect them to take into consideration the matter of labor conditions in our State as compared with our competing brothers to the north, because competition in cedar shingles comes from British Columbia, to the north. What are the labor conditions there and in our country? In our country the labor employed in the shingle mills is 99 per cent American, while in the Canadian mills it is about 80 per cent oriental—Chinese, Hindu, and Japanese. In our State we pay our laborers from \$2.25 to \$4 a day, while the Canadian mills pay from \$1.25 to \$4 a day.

There are the facts. They can not be denied. They may not appeal to you. They do to me. No argument can strengthen them. I simply submit them as an appeal to your sense of what is fair and just. Of course with that difference in labor conditions there must be an advantage on the other side of the line as against our people. We shut the Chinese out of this country; and yet our friends on the other side of the Chamber seem to be perfectly willing to let the product of Chinese labor come from across the line over into our country in competition with our labor. Our people are home builders; they are home makers; they are home lovers; they are engaged in this industry in our State near their homes, and I think we ought at least to give them some consideration.

I have some letters here about the profits in the industry. These letters come from very reliable people; they are men, of course, who are interested in this industry, and who may be considered as interested witnesses; and yet I do not think that even our Democratic friends will think that simply because a man is interested in an industry he has no regard for the truth at all. I have here a letter from a company at Clear Lake, Wash., in which they say this:

The company which I represent is a large manufacturer of shingles. We expect to cut this year almost 150,000,000 shingles. We employ in our shingle mill alone about 60 men with a monthly pay roll of \$7,500. In addition to these men, an equal number are employed in the woods getting out the timber for the shingle mill, with a pay roll equal to the one in the mill itself. If the shingles from British Columbia are permitted to come into the United States free of duty, I have not the slightest doubt that it will mean a period of stagnation running over from one to three years, with possibly a large portion of these men thrown out of work. It will mean at the very least a material reduction in their wages and a very great disturbance in industrial conditions in this State.

Then here is another firm that says this:

For the past five years there has been practically no profit whatever in the manufacture of shingles, and in the meantime the British Columbia shingles have been selling in competition with us and paying 50 cents per thousand duty.

Then I have another letter from a man at Custer, a very small town in our State, which depends absolutely upon the shingle

mills there. I think there is hardly any other kind of business in that place. He says this:

CUSTER MERCANTILE CO. (INC.),
Custer, Wash., April 15, 1913.

Hon. Senator W. L. JONES, Washington, D. C.

DEAR SIR: By instruction of our club I send you inclosed resolution, and hope and trust that you will use all your influence to have the present duty on shingles maintained. We have nine mills shipping their shingles from Custer.

I wish to state further that my partner and I have an interest in a shingle mill built in 1909, which has been operating every summer. We have paid our men from \$65 to \$135 per month, but we—the mill owners—have not yet had one dollar paid us as profit. The time, we hope, will come when our country will not need or miss the shingle industry, but it is not at hand yet. Any reduction on the tariff of shingles will bring the mills to close down, and it will cause a hardship all around.

Respectfully submitted,

Yours, truly,

P. S. MUNDAL.

So that, according to these men, they have been running their mills four or five years without a single dollar of profit coming to them from their money actually invested in the enterprise and in the plants. There are other letters that I will not take the time to read but will submit with my remarks.

As I have said, there is no trust in this industry. Many of the mills are small; they have been started by a few men who have gathered together a little money. Possibly they have been what are shingle weavers, laborers. They have put together their little capital, consisting of their money and their skill, in this industry, have erected small mills, and have been trying to maintain themselves, make a competence for their families, and to supply the demand for this article.

Who are our competitors? British Columbia, to the north of us, with 182,000,000 acres of timber land, much of it valuable for the making of shingles. They have been producing a great many, and under the tariff we now have they have been exporting shingles to this country. They can do this with their cheap labor and cheap timber. When we had a tariff of only 30 cents a thousand there came to this country over 5,000 carloads of shingles a year in competition with those made by the people of this country. After we increased the tariff to 50 cents a thousand on shingles the exportation of shingles to this country did not cease. In 1911 we imported over 642,000,000 shingles into this country, in 1912 over 514,000,000, in 1913 over 560,000,000 shingles, and through the little town of Blaine, in my State, on the border, not to an eastern market, but to our State, the following imports were made:

In 1907, 588 carloads; in 1908, 595 carloads; in 1909, 604 carloads; in 1910, 242 carloads; in 1911, 82 carloads. Even with a duty of 50 cents a thousand they imported into our State alone in 1911, 82 carloads, and in 1912, 142 carloads; so that a tariff of 50 cents a thousand is not a prohibitive tariff by any means.

What about the actual prices on these shingles? I told the Senator from Arizona that I would notice that point. He suggested one proposition that is always suggested in tariff debates when he asked if with a tariff on an article the price does not increase, then what is the use of the tariff? Well, the answer to that, so far as the shingle industry is concerned, is simply that with this tariff we have been able to maintain our market, and instead of having it overglutted, thereby not only depressing and lowering the price, but closing mills and throwing labor out of employment, we have been able to keep them employed, and with competition among, for instance, the 500 plants in my State they have kept down the price regardless of the tariff. If you take the tariff off and throw open this industry to competition of the cheaper labor of Canada, although there may be, of course, temporarily lower prices, when they get the mills closed down and force the people now engaged in that industry into some other work, then we may expect the Canadians to raise the price. This industry well illustrates what can and will be done by competing plants behind a protective wall.

What are the facts with reference to the increase of 20 cents a thousand on shingles four years ago? I have here the prices of shingles from 1908 for nearly every month in the year from that time until this. The prices range practically the same, although they were higher in 1908 than they have been at any time since then. But coming to 1909, just prior to the passage of the Payne-Aldrich law, when the tariff duty was increased from 30 to 50 cents per thousand, I find that in August, 1909, the price on clear shingles was \$2.15 to \$2.25 per thousand.

In August, 1909, the price on clear shingles was from \$2.15 to \$2.25 per thousand; on star shingles, \$1.75. Then, in September, the price was from \$2.30 to \$2.35; October, \$2.20; November, \$2.05 to \$2.10; December, \$2.05—less than it was prior to the passage of the bill.

In 1910, in January, the price was \$2.15 to \$2.20, practically the same as it was before; February, \$2.20; March, \$2.20;

April, \$2.20; May, \$2.10; June, \$2.15; August, \$2.10; September, from \$2 to \$2.05; October, from \$2 to \$2.05.

In 1911, in January, the price was \$1.90, or 30 cents a thousand less than it was just prior to the passage of the bill. In February it was \$2.

Mr. KERN. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Indiana?

Mr. JONES. Certainly.

Mr. KERN. Does the Senator refer to the retail price of shingles in the State of Washington?

Mr. JONES. This is the quoted price to the jobber from the manufacturer.

Mr. KERN. To the jobber?

Mr. JONES. Yes.

Mr. KERN. I was about to say that the retail price in the East to the consumer of Washington shingles and Oregon shingles, the best shingles, is something like \$3.50 to \$4 a thousand.

Mr. JONES. That may be true, but of course that is independent of the tariff. Whatever effect the tariff has it has on the price from the manufacturer to the first buyer from him. Of course it does not affect the price from him on. Even if we should take those prices, does the Senator from Indiana know whether or not they have increased since 1909, when the Payne-Aldrich tariff bill was passed?

Mr. KERN. No; I do not. I simply know from purchases I have made that in the last year the price was from \$3.50 to \$4 a thousand.

Mr. JONES. Does the Senator know what it was just prior to the passage of the Payne-Aldrich law?

Mr. KERN. That was since the passage of the Payne-Aldrich law.

Mr. JONES. But, I say, does the Senator know what the price was just prior to the passage of the Payne-Aldrich law?

Mr. KERN. I do not.

Mr. JONES. I am showing here that the wholesale prices were practically the same before the passage of the law as they have been since the passage of the law notwithstanding the increase in the tariff; that is all. I am simply stating the facts. I am not presenting any argument about the matter, but these are the facts. They speak for themselves.

Mr. MARTINE of New Jersey. Does the Senator know as to what part of the fluctuation in the price of shingles may have been due to the use of substitutes for shingles? For instance, artificial shingles are now used very largely—asbestos shingles, metallic shingles, rubberoid shingles, and a score of other substances.

Mr. JONES. We have been using those things for several years.

Mr. MARTINE of New Jersey. We have been using them for the last three to five years.

Mr. JONES. I think a good many of those things were in use before that time.

Mr. MARTINE of New Jersey. Not asbestos shingles, but many other substitutes were.

Mr. JONES. Of course we change and use different things from time to time, but before the Payne-Aldrich law was passed those changing conditions existed, and I am simply presenting the facts.

Mr. MARTINE of New Jersey. I believe the Senator will agree that the tariff is imposed generally and is paid by somebody.

Mr. JONES. I am not going to go into the question as to who pays the tariff. I have my views of it.

Mr. MARTINE of New Jersey. It is paid by the consumer.

Mr. JONES. But you can not get around this list, which shows that the prices before the passage of the Payne-Aldrich law were as high if not higher than they have been since. This shows conclusively to my mind that the tariff was not added to the domestic price, the consumer did not pay more by reason of it. The consumer of Canadian shingles paid no more than the domestic price, and the Canadian must have paid the duty and took it out of his profits. The consumer did not pay it.

Mr. MARTINE of New Jersey. Then, I ask, what is the use of the tariff?

Mr. WARREN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Wyoming will state his point of order.

Mr. WARREN. I call the attention of Senators to the rule that the Chair should be addressed before interruptions are made. We wish to hear this argument, and where both Senators are speaking at once it is very difficult to hear it.

Mr. MARTINE of New Jersey. I felt that I had gained the consent of the Chair. However, I am quite willing to stand reprimanded if I am in error. I realize, however, that in a little

controversy of this kind we very often dip in without going through the formality of asking the permission of the Chair.

Mr. JONES. To proceed, Mr. President; in April, 1911, the price of shingles was \$2. In May it was \$1.95. I will say that in each case the prices are for the same class of shingles. In July the price was \$1.95; in August, \$1.95; in September, \$1.93; in December, \$1.85.

In 1912, in January, the price was \$1.75 to \$1.80; in April, \$1.91; in July, from \$1.95 to \$2; in August, \$2.20. In other words, in August of 1912 they came up substantially to the same price they were in August of 1909, just prior to the passage of the Payne-Aldrich law. Then, in September, they were \$2.40, quite a little higher. In October they were \$2.30. In November, coming down again, they were \$2; in December, \$2.15. In January of 1913 they were \$2.20; in March, \$2.15; in April, \$2.20; in May, \$2.25; in July, \$2.20 to \$2.25, or substantially the same as they were prior to the passage of the Payne-Aldrich law.

In other words, these figures show me that with the competition among our own people they have maintained the price at the lowest possible level. It may not appear that way to some of our friends on the other side, but that is the only conclusion I can draw from the facts as they are here. They try to avoid the facts. I let them speak for themselves. They need no aid from me.

Mr. JOHNSON. Mr. President, if the Senator will pardon an interruption, he spoke of the competition in this country. I should like to inquire where the mills on Puget Sound meet competition in the western part of the country?

Mr. JONES. I do not think the Senator was present when I spoke about the condition of the industry in my State. The competition is among our own mills. There are nearly 500 of these shingle mills in my State. They are practically independent of each other. The competition is keen and sharp.

Mr. JOHNSON. In what other States are there any mills that saw shingles or deal in shingles except in the Senator's State of Washington?

Mr. JONES. I do not know of any great industry in this line in any other State. Of course, I said that we produced practically two-thirds of the shingles used in the whole United States, but the competition is so sharp among the manufacturers of shingles in our State that they keep the wholesale price down to the minimum. As I read from some of the men engaged in that industry here, some of them have made no profit at all during the last four or five years. They have simply been able to keep their mills going. They have paid their help good wages, but the owners have received practically nothing on their investment. That, of course, does not apply to all. Some of them, I suppose, have made more than others. Some of them probably have better facilities than others; but, as a whole, the industry in my State has not made money. They have been able to maintain themselves, but the competition between them has kept down the price of shingles to the consumer.

The tariff increase that was made four years ago has not added to the price of the shingles, but it has possibly enabled our people to maintain the industry, and keep their men employed, pay them good wages, and keep the market from being flooded and glutted by the mills from the other side.

From the most reliable information I can get, the Canadian mills are producing only about 50 per cent of their capacity to-day. If you take off this tariff entirely those mills will be given an opportunity to run to their full capacity; and according to our people, and as it looks to me, our industry will be very greatly injured. Many of our people will either have to go out of business or have to reduce the wages of their employees—one or the other. I take it that my Democratic friends do not want either condition to come about. I am satisfied of that. I am sure I do not. What we should like—and we think you can justify it independently of protection—is to have you put a small tariff upon this product. You can say it is for revenue if you want to. You will not violate any of the principles of your platform by doing that. It will give us what you may call incidental protection, if you wish.

Mr. WILLIAMS. Call it anything.

Mr. JONES. We are perfectly willing to call it protection and revenue together, because it will bring revenue, and it will bring protection to the people in our State and to this industry. As the Senator from Mississippi says, we will call it anything in order to get it, because we want to preserve at least the present condition of the shingle industry and prevent its demoralization.

This means a great deal to other people in our State as well as to those actually engaged in the shingle industry. As I pointed out a while ago, there are about 60,000 people in the State dependent upon this industry. Of course you do not think

the industry will be injured. I hope it will not be, but our people think it will be. We are afraid it will be, and judging from the facts as they exist we can not help believing that it will be injured. If it is, and these men are thrown out of employment, they will go into something else, possibly into agriculture. In that event they will make more competition for the farmers of our State, and they will also deprive the farmers who now supply the mouths of 60,000 people with their farm products of that much market. So the people in eastern Washington and other parts of our State where the shingle industry is not located are interested in the preservation of this industry just the same as the people who are actually engaged in it. These 60,000 people now are splendid customers for the products of the eastern Washington farm. I want them to continue so. They will not if they are thrown out of employment, and our farmers will suffer and not get their shingles any cheaper either.

I have taken more time on this matter than I intended to take, and more than I ought to take. I could point out the benefit the shingle man is in conserving the forest, but I will not take the time to do so. What I have said is enough to show the justice of this amendment. My State needs this industry. With millions of capital employed, millions paid out in wages, thousands of men employed, and many more thousands dependent upon the industry, we can appreciate and realize what it means if it is very seriously injured. We are very fearful that it will be. We think you could justify a small tariff upon the ground of revenue. Give us the benefit of it. Remove the fear we do not like even to express by making a fair reduction instead of taking it all off at one fell sweep.

I have offered an amendment that places the tariff at 40 cents a thousand. That is a reduction of 20 per cent. It leaves the tariff less than 20 per cent. Certainly that is a small enough duty for revenue. I have heard it suggested in regard to several propositions in this bill that 20 per cent, or 25 per cent, was nothing more than a tariff for revenue. We do not ask for any more than that. It will help us in our State. It will aid this industry, and it will bring revenue to the Government.

No Democratic principle, no Democratic theory, will be violated by the adoption of this amendment; but if it is not adopted it may violate the proposition in your platform where you say that in making these reductions you propose to make them in such a way as not to injure any legitimate business.

This is a legitimate industry. You take off all the tariff, notwithstanding the fact that it was raised four years ago. You may not think the increase then was necessary; but whether it was necessary or not, in accordance with the declarations in your platform, conditions have grown up under it, and to wipe out all the tariff, it seems to me, will inevitably injure the industry; it may do it any way, and you ought to err on the safe side and in the interest of a legitimate industry.

Mr. JOHNSON. Mr. President, before the question is put I wish to read into the Record a statement of the imports and the production of shingles in this country for 1912.

I find in the handbook which I have before me that we imported in the year 1912 shingles of the value of \$1,194,113.88. In the year 1910, which is the year for which the production is given, we produced \$30,262,462 worth. So that our imports are about 3 per cent of the production in this country.

In line with the policy of the Democratic Party of placing upon the free list articles of extensive use, necessities of life, we have placed lumber on the free list—a thing that some of the extreme protectionists have said should first go upon the free list, because it is one of the things which men first need to shelter them. We have placed different articles, such as sawed boards, clapboards, logs, and different varieties of lumber upon the free list, and in accordance with that policy we have also placed shingles upon the free list.

Only a small part of the shingles imported into this country are imported at Puget Sound. A great many are imported at the port of Bangor, in my own State, and also in Vermont. They come into the New England States because the depletion of our forests and the lack of access to the cedar which is needed for the shingles compels us to go elsewhere, and to open up other fields in order to supply ourselves and meet the ever-increasing demand.

For this reason we have placed shingles, with other articles, upon the free list. No reason occurs to the committee why any exception should be made of shingles, or why they should be treated differently from other kinds of lumber.

Mr. JONES. Mr. President, I have here resolutions adopted by the labor organizations in my State. I will say that these resolutions were adopted, not this year, but in 1909. They urge an increase in the then rate. I will say frankly to the

Senate that I have not received a single resolution from any labor organization of the State this year protesting against putting shingles on the free list. Possibly there are local conditions that account for that. I do not know. I wish to say, however, that it has been a surprise to me that labor has not manifested any interest in this matter, because if I thought labor would not be benefited by retaining the tariff I should not be in favor of retaining it. In my judgment, practically the only justification for a protective tariff is the benefit it brings to labor. As I say, there are local conditions which possibly account for the fact that they have not sent in resolutions this year.

These resolutions were sent in with reference to the proposal to raise the tariff under the Payne-Aldrich bill. I ask that they may be printed in the Record, because I believe they reflect the sentiment of labor now, together with other letters which I desire to send up, and also the table of prices from which I read part of the figures.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and that action will be taken.

The matter referred to is as follows:

SEATTLE, WASH., April 29, 1913.

BOARD OF TRUSTEES,
New Chamber of Commerce.

GENTLEMEN:

Whereas because in the consideration of the proposed reduction of the present duty of 50 cents per thousand on shingles the following facts should influence any decision in the matter:

That 78 per cent of the shingles manufactured in the United States are manufactured from cedar in territory adjoining the Canadian border and under conditions not as favorable as those enjoyed by the manufacturer of cedar shingles in adjoining territory immediately across the line;

That 65 per cent of the shingles manufactured in the United States are manufactured in the State of Washington;

That there are 375 shingle mills in the State of Washington, which give employment to about 15,000 men, with an annual pay roll of \$7,500,000;

That there is invested in shingle mills in the State of Washington \$4,154,000; the estimated investment in logging camps that supply these mills is \$1,463,998, and an estimated investment in timber that supplies these shingle mills of \$10,471,446;

That 16 per cent of the timber manufactured annually in the State of Washington is cedar and that 80 per cent of the cedar can be utilized only in the manufacture of shingles;

That the mills of Washington can and always have been able to supply the demand for shingles, and that they have never been able to operate steadily throughout the year because the market would not absorb their output;

That shingle mills are owned and operated principally by men of small means; the records of the business show that the manufacturing of shingles has never been very profitable; the admission of shingles into the United States without the duty of 50 cents a thousand would work a hardship on the small operators and cause a waste of standing timber; with the duty entirely removed it would practically put the shingle men out of business, as the immense holdings of cedar timber north of the Canadian line and the conditions under which it can be shipped into the United States are such that the manufacturers here could not compete in a market that is already oversupplied;

That should the shingle industry of this State be destroyed 12.8 per cent of the cedar timber that is now manufactured into shingles in the State of Washington would be burned up and wasted; as the cedar trees grow among the fir, one can not be logged without destroying the other;

That the United States Government owns 81,600,000,000 feet of standing timber in the State of Washington, including fir, cedar, hemlock, and spruce; the elimination of the tariff on cedar shingles will render 12.8 per cent of the Government's total timber holdings in this State valueless;

That since the duty has been 50 cents a thousand British Columbia mills have been kept out of the market. When the duty was 30 cents they shipped into the United States about 5,000 cars of shingles annually. Should the duty be entirely removed this volume would be increased threefold. Foreign capital and foreign labor would reap the benefit and our people would suffer;

That with the shingle industry of the State of Washington destroyed our market would be subject to the control of Canadian operators. Combinations to control markets are not forbidden in Canada. Hence, the consumers would be subject to the price fixed by any combination that might be formed;

That with the opening of the Panama Canal British Columbia manufacturers will be in a position to ship shingles to our Gulf and Atlantic seaports in foreign vessels while according to our laws we will be compelled to use American vessels;

That the freight charged by such foreign vessels will undoubtedly be less than the freight charged by our American vessels, in this way giving the manufacturers of British Columbia an additional advantage over us. That the Dominion Government prohibits the export of logs cut from provincial lands and places an export duty on all logs cut from Crown grant lands, by that means increasing the cost of logs to our American mills as compared with the cost of logs to the Canadian mills;

That the elimination of the duty on shingles will therefore give the British Columbia manufacturers a very decided advantage over our American manufacturers, which advantage is given them largely by our own laws: Be it therefore

Resolved, That the board of trustees of the Seattle Chamber of Commerce is unalterably opposed to any reduction in the present duty of 50 cents per thousand on shingles, which duty is absolutely essential to the life of the shingle industry in the United States.

Resolutions presented by special committee consisting of John McMaster, J. S. Brace, Lewis Schwager, and adopted by board of trustees Seattle Chamber of Commerce, Tuesday, April 29, 1913.

Quotations on shingles.

	Cleats.	Stars.
1903.		
January.....	\$2.60	\$2.00
February.....	2.60	\$2.25 to 2.30
March.....	1.80	1.80
April.....	\$3.10 to 2.20	1.75 to 2.20
May.....	2.45	1.95
June.....	1.80	1.50
September.....	2.15	1.80
October.....		1.85
November.....		1.75
1909.		
January.....	2.15	1.75
February.....		1.95 to 2.00
March.....		1.85
April.....		1.80
July.....	2.10 to 2.15	1.75
August.....	2.15 to 2.25	1.75
September.....	2.30 to 2.35	1.85 to 1.90
October.....	2.20	1.65
November.....	2.05 to 2.10	1.65 to 1.70
December.....	2.05	1.65
1910.		
January.....	2.15 to 2.20	1.75 to 1.80
February.....	2.20	1.75
March.....	2.20	1.80
April.....	2.20	1.80
May.....	2.10	1.75
June.....	2.15	1.80
August.....	2.10	1.70 to 1.75
September.....	2.00 to 2.05	1.60 to 1.65
October.....	2.00 to 2.05	1.60 to 1.65
November.....		1.60
1911.		
January.....	1.90	1.60
February.....	2.00	1.70
March.....	2.10	1.70
April.....	2.00	1.65
May.....	1.95	1.55
June.....	1.90	1.50
July.....	1.95	1.55
August.....	1.95	1.55
September.....	1.93	1.50
October.....	1.85	1.45
November.....	1.85	1.45
December.....	1.85	1.50
1912.		
January.....	1.75 to 1.80	1.40 to 1.45
February.....	1.85	1.50
March.....	1.85	1.50
April.....	1.91	1.60
May.....	1.93	1.60
June.....	1.95	1.60
July.....	1.95 to 2.00	1.65
August.....	2.20	1.85
September.....	2.50	2.10
October.....	2.40 to 2.50	2.25
November.....	2.30	2.15
December.....	2.00	1.60
July.....	2.15	1.70
1913.		
January.....	2.20	1.80
February.....	2.25 to 2.30	1.80 to 1.85
March.....	2.15	1.70
April.....	2.20	1.75
May.....	2.25	1.75
June.....	2.15 to 2.20	1.60 to 1.65
July.....	2.20 to 2.25	1.65 to 1.70

TACOMA, WASH., April 29, 1913.

HON. WESLEY L. JONES, Washington, D. C.

DEAR SIR: In the matter of the proposed reduction in the United States import duty on shingles we wish to set forth some facts pertaining to the business for your information. We trust you will read this over carefully, as we feel sure that by so doing you will be convinced—if indeed you are not already—that it will be a grave mistake to remove or, in fact, in any way reduce the present duty of 50 cents per thousand on shingles.

In the first place, that part of the country that will be most affected by any action is the Pacific Northwest, including California. This for obvious reasons. The chief wood from which shingles are manufactured is red cedar, and this wood grows in a belt running north and south on the Pacific slope, from the Cascade Mountains to the ocean. This timber belt is heaviest in cedar in the State of Washington and the Province of British Columbia. Cedar also grows in Oregon, Idaho, and Montana, and in California shingles are manufactured from redwood. A Government report dealing with the 1910 cut of shingles in the United States says: "The quantity reported in 1910—12,976,362,000 shingles—is considerably smaller than in 1909, but greater than in 1908. Although a number of woods are used for shingles, over three-fourths of the total number manufactured during the three years were of cedar. The shingle output of the State of Washington in 1910 was about two-thirds of that of the country." From this it will be readily seen that any reduction in the present tariff will have its effect, most particularly upon the State of Washington. Therefore in setting forth facts regarding the shingle industry in the State of Washington we very fairly represent the industry as it will be affected by tariff changes.

The shingle mills in the State of Washington give employment to about 15,000 men, with an annual pay roll estimated at \$7,500,000. There is invested in these shingle mills not less than \$4,154,000. The investment in the logging camps which supply these mills with their raw material is \$1,463,998. The estimated investment in standing timber at present is \$10,471,446.

According to Government reports, there is standing in the State of Washington 391,000,000,000 feet of timber. Of this amount the Government owns 81,600,000,000, leaving a balance of 309,400,000,000 otherwise owned; that is, by the State and individuals.

The usually accepted estimate of the ratio of cedar as compared to the other woods is 10 per cent. On this basis we have 49,500,000,000 feet of standing cedar owned outside the Government holdings and 13,056,000,000 feet of standing cedar owned by the Government. It is usually estimated by experts that 80 per cent of all cedar timber can be utilized only in the manufacture of shingles. Accordingly, we have 39,600,000,000 feet of timber owned outside the Government that is valuable only as raw material for shingles, and likewise for the same purpose the Government owns 10,444,800,000 feet of cedar timber that can only be valuable when manufactured into shingles.

Now, while the Government reports credit the State of Washington with supplying two-thirds of the total consumption of shingles in the United States, it is a fact that at no time have the shingle mills of this State been able to run to full capacity, because the demand has not been sufficient to consume the possible supply. Should the mills of this State run to full capacity, they could easily supply the demand for shingles throughout the entire United States.

The shingle mills of this State are owned and operated principally by men of small means, and it is unfortunately true that the business has not been profitable. The cedar trees grow at random among the fir, and the one can not be logged without at the same time taking out the other or destroying it. The majority of men engaged in the shingle-manufacturing business to-day are in it from necessity and not from choice. While there has been any market for shingles owners of the timber have preferred to remove the cedar even at no profit, but, with no market for that class of timber manufactured into shingles, loggers in their operations in getting out the fir will leave the cedar in the woods, where it will be soon destroyed by fire or other causes. It should be clearly understood that unless the cedar is carefully felled at the time it is reached by logging operations it will either be destroyed by the operations or by fire. A cedar tree will burn whether standing or on the ground.

The Canadian manufacturer can purchase timber under arrangements unknown to this country, whereby he pays to the Canadian Government so much per thousand feet of timber as it is logged, and he need only take the best out of the woods. Besides these advantages must be considered the fact that upon the completion of the Panama Canal Canadians will be able to ship shingles by water to the eastern coast of the United States at a less rate than can our own manufacturers, on account of the recognized fact that foreign bottoms charter cheaper than our own and we are by our laws prohibited from shipping from an American port to an American port in anything but an American ship.

Therefore the removal of the present duty would practically put the shingle men of this State out of business, as the large holdings of cedar timber north of the Canadian line would immediately be opened up under such attractive conditions and an already over-supplied market would be flooded with a product against which our manufacturers could not compete.

This means that 12.8 per cent of all the timber, which amount now goes into the manufacture of shingles, would be burned up and wasted. This applies alike to Government and privately owned timber, and in the Pacific Northwest means a loss to the Government of approximately 57,000,000,000 feet of timber.

When the duty on shingles was 30 cents per thousand, Canadian mills shipped into the United States about 5,000 cars annually. Since the duty has been 50 cents a thousand, British Columbia mills have been kept out of our market. Should the duty be entirely removed the volume of Canadian shipments would increase to three times the amount of imports during the years of the 30-cent duty, or at least 15,000 cars per year.

If the removal of this duty meant cheaper shingles to the consumer and at the same time any sort of practical conservation, there might be merit in the proposition, but it must be remembered that Canadian operators do not operate under the laws of the United States, that they know no Sherman antitrust law, that combinations to control markets are not forbidden in Canada, according to our understanding; hence the consumers of this country would not in any way be benefited; but, on the other hand, foreign capital and foreign labor would reap the benefit, while manufacturers and laborers employed in the mills of this country would have to suffer.

In the above statements we have not overdrawn the facts, but have given you figures that represent the true state of affairs, and we invite and urge careful investigation into the authenticity of these statements. When you find what we have said to be true, we feel that in all justice to our own people, none of whom will be helped by the removal of the duty, but many of whom will be greatly injured, you will vote for the retention of the whole duty as it now stands and for no reduction in it whatsoever.

Yours, respectfully,

WEST COAST LUMBER MANUFACTURERS' ASSOCIATION,
By W. C. MILES, Manager.THE QUEEN MILL CO.,
Edmonds, Wash., April 15, 1913.HON. W. L. JONES,
Washington, D. C.

MY DEAR SENATOR: In behalf of the 10 shingle manufacturers of our little city, I beg to request you and your associates from our great State of Washington to do all in your power to retain the present duty of 50 cents per 1,000 on shingles. You are well acquainted with the conditions under which we are manufacturing shingles, but I will endeavor to refresh your memory on a few points in this line.

When we had a 30-cent duty Canada shipped into the States about 5,000 cars annually, and under the present duty has been practically cut out, and there has not been any advance on shingles on account of this increase, but, in fact, the competition among our own mills has lowered the price, and the dealer has been getting his shingles at practically cost of production for several years, and if we have free shingles we will be put out of commission; that is to say, us small manufacturers. I do not know of more than 3 mills out of the 10 here that

have declared a dividend in five years, and for me personally, with \$20,000 in the business, I will have to sacrifice my site and get nothing out of my plant and quit the business, and lose nearly all my worldly possessions, and this is in a measure true of hundreds of us. We are the scavengers of the woods and use what will have to go to waste. If we are thrown in direct competition with British Columbia shingles and their oriental labor. We pay very high wages to our employees; they are from \$3 to \$3.50 for common labor and from \$4 to \$9 for skilled labor.

Should this duty be removed it would throw an untold number of men out of employment, or we would have to reduce their salaries about one-half to compete with British Columbia.

Shingle mills can be bought at present and under our 50 cents protection by the dozen for one-third the cost of the machinery alone; and what will it be if we get free shingles?

Knowing as you do the conditions under which we are laboring, we have no doubt you will do all in your power to retain the present duty on shingles.

I beg to remain,

Most sincerely, yours,

B. F. WASSER,
President of the Queen Mill Co.

P. S.—If this would be of any use to the Hon. W. E. HUMPHREY, I would be pleased to have you submit it to him.

SEATTLE, WASH., April 16, 1913.

Senator WESLEY L. JONES, Washington, D. C.

HONORED SIR: Representing about 175 shingle mills, members of this association, we beg emphatically to protest against the placing of shingles on the free list, as we understand is proposed by the new tariff soon to be before the House.

At a hearing before the Ways and Means Committee and in debate in the House in 1909, when the Payne tariff was under discussion, the matter of the duty on lumber products was thoroughly ventilated. This was particularly true with regard to red cedar shingles, and the result of the hearing was that the duty on shingles was raised from 30 cents per thousand to 50 cents per thousand, where it now is.

The industry of manufacturing red cedar shingles, while a comparatively small one when compared with the commerce of the United States, is one of vital importance to our great State and particularly to that portion of the State lying between the Cascade Mountains and the Pacific Ocean. In that territory is manufactured each year about 65 per cent of the entire quantity of shingles manufactured in the United States. This proportion is undoubtedly increasing from year to year with the exhaustion of white cedar and the manufacture of cypress into various kinds of lumber products bringing larger returns. It is an industry employing about 15,000 men, furnishing a large market for supplies, and contributing largely to the welfare of our Commonwealth. It is an accepted fact that with the lumber and shingle industry prosperous, western Washington is prosperous, money is flowing into our banks, our merchants are flourishing, our people well employed and satisfied; with that industry languishing all business is stagnant.

There is no question of the ability of our mills to supply the demand for shingles in the United States. Never in the history of the industry have the mills been able to operate at full capacity on account of the fact that the supply would then exceed the demand.

There are unfortunately too many of us and competition is severe. The advance in duty has not raised the price of red cedar shingles to the retail yard dealer, on the contrary prices at the mills on red cedar shingles are lower to-day, and have been since 1908, than they were during the years 1906 and 1907 when the duty was 30 cents.

There are a number of reasons for the retention of the present duty or, at least, a considerable portion of the same on red cedar shingles. In British Columbia just to the north of us and working in the same belt of timber between the Cascade Mountains and the coast, there are a number of mills, and the timber is there to furnish material for a large number of additional mills. About 80 per cent of the labor employed in these mills is oriental, the Chinese, the skilled workman, and the Hindu, the common laborer, whose scale of living is not exactly on a par with our white labor, and we do not think that you would desire that our workmen should live as they do. These wages are naturally considerably less than ours. Should we be compelled to compete with such labor?

The Washington mills are at present cutting a considerable quantity of cedar logs imported from British Columbia. Only a small portion of the British Columbia timber can be exported—that cut on Crown grant lands. On this there is an export duty of from \$1 per thousand feet for No. 3 logs to \$3 for first-quality logs. In addition to this there is a tow bill of about \$1 per thousand for bringing these logs down to our mills on tidewater. The price of logs to the British Columbia manufacturers is based on what our American manufacturers pay, less the export duty and tow bill on Crown grant land logs and less than this for logs cut from nonexportable timber. This gives our neighbor to the north an advantage in timber of from \$2 to \$4 or from 20 to 40 cents per thousand shingles. The difference in labor cost will run about 10 cents per thousand, so that the present duty barely puts our manufacturers on a par with our British Columbia competitors.

Anticipating the placing of shingles on the free list a number of Americans have purchased large tracts of timber in British Columbia, expecting to operate there if the duty is removed. This accounts for the intense interest taken in the removal of the tariff by some lumbermen. When the cause is looked for it has usually developed that there was a good reason for their attitude from their standpoint.

A reduction or elimination of the duty on shingles will mean one of two things: Our manufacturers will be compelled to close their mills and seek new locations in British Columbia and our workmen will have to change their vocation or go to British Columbia for work, or our shingle weavers and our woodsmen will have to accept wages in competition with the Hindu and Chinese labor to enable the Washington mills to compete with the British Columbia shingles.

You may ask why logs can not be procured as cheaply in Washington as in British Columbia, and why bolts can not be procured as cheaply and as good. The main reason lies, first, in the good wages paid our woods labor, and, second, in the fact that the timber is harder to get out each year—that near the railroads and near the coast is largely cut out and ranches and farms taking its place.

The British Columbia logger, we understand, is taking the cream of the timber only. He pays the Government only for what he cuts—the result, only the best logs and only the finest of timber is cut into bolts. With us the rancher clearing his land has largely kept himself in bread and butter from the sale of the shingle bolts he has cut from the down

cedar on his land and from the tall stumps logged off years ago when the stumps were not cut as low down as now. This class of timber, while making good shingles, naturally costs more to cut up than the fine clear bolts of British Columbia and there is more waste, but it has been of almost inestimable benefit to our rancher and farmer in tiding him over the period when his land is being prepared for crops, and if you had ever attempted to clear logged-off lands in western Washington you would realize what a task that is.

The free list is supposed to contain largely raw materials. It may not have occurred to you that the value of the red cedar shingle placed on board the cars here in western Washington is largely labor. Stumpage is valued at from \$1 to \$2.50 per thousand for cedar, according to its accessibility. This means the raw material in 1,000 shingles is worth from 10 to 30 cents, the balance is labor—labor in the woods, labor in bringing the logs to the mills, labor in the mills manufacturing the shingles, and labor in the supplies used. The profit to the manufacturer is slight. Statistics will show a lamentable list of failures in the shingle-manufacturing industry. A profit of 20 cents per thousand to the mill owner would be deemed a splendid return. Take 20 cents as the average raw material and 20 cents for the manufacturers' profit. This means about \$1.50 to \$1.75 that goes to labor and supplies, which are largely labor. There are few industries where the selling value is so largely labor. Why, then, should this industry be one singled out for the free list? Can wool or cotton or steel show so large a percentage of labor? We think not.

The CONGRESSIONAL RECORDS of 1907 and 1908 contain all the arguments needed to show our reasons for asking you to give us a chance out here in the West. To show you, however, that the labor situation has not changed since that time we are sending to Congressman HUMPHREY a series of photographs taken during March, 1913, at a number of different mills in and near Vancouver, British Columbia.

We feel that the present duty is reasonable and just, but if along with reductions in the tariff on other commodities our industry should stand its share, would it not be reasonable to reduce the tariff on shingles to 30 cents, practically cutting the present duty in half, and in this way carrying out the pledge of the great Democratic Party to the people?

Another thing should not be lost sight of, and that is that the British Columbia manufacturers have for the past two years had an ironclad combination. The consumption of shingles in Canada is divided up among the different manufacturers according to the number of machines which they have, and they are allowed to cut only their apportionment. Our laws will not permit of this. In this way they are getting for their 6/2 shingles in Canada more than we have averaged for our thicker 5/2 shingles in the United States. They have, however, been able to run only about half their capacity and are looking anxiously to the States to enable them to run full time, holding up their market on their own shingles in Canada and using our country as a dumping ground for their surplus. If such a calamity should occur as shingles being put on the free list, something should be done to prevent their using this country as a dumping ground, and if they should sell shingles in the States at less than their held price in Canada, a duty to cover such difference should be imposed.

On the opening of the Panama Canal we will be at a further disadvantage, as compared with our British Columbia neighbors. They will be able to use foreign bottoms, whose rates are always less than those of our American ships. The rates for foreign vessels are about 15 per cent less than for American vessels. You can readily see that this will give our competitors an additional 10 or 15 cent margin which they can use to cut us out of our own market.

If we are to compete on even terms, arrange so that our logs from British Columbia and other sources will cost the same, that our freights will be the same, that our labor cost be the same, and we will gladly withdraw opposition; but it is unfair to ask us to meet competition when we are handicapped by our own laws or the laws of neighboring countries which compel us to pay more for labor, more for raw material, and more for transportation. If we are compelled to meet British Columbia competition we should have the privilege of employing oriental labor and using foreign bottoms. This we do not want and do not ask for, but our fellow countrymen should not be handicapped by our own laws to the benefit of the foreigner.

Some of these things may not have been brought to your attention, and we would respectfully ask your consideration of this matter and hope you will lend your influence to help an industry which to the United States as a whole is a small one, but which is of material importance to our growing State.

Respectfully,

RED CEDAR SHINGLE MANUFACTURERS' ASSOCIATION,
F. A. TRAILL, Manager.

CLEAR LAKE LUMBER CO.,
Clear Lake, Wash, May 27, 1913.

Hon. W. L. JONES,
Senator, Washington, D. C.

MY DEAR SIR: I have no doubt that you have been and are doing everything in your power to aid the shingle manufacturers of this State in retaining the duty on shingles shipped into the United States. The company which I represent is a large manufacturer of shingles. We expect to cut this year almost 150,000,000 shingles. We employ in our shingle mill alone about 60 men, with a monthly pay roll of \$7,500. In addition to these men an equal number are employed in the woods getting out the timber for the shingle mill, with a pay roll equal to the one in the mill itself. If the shingles from British Columbia are permitted to come into the United States free of duty, I have not the slightest doubt that it will mean a period of stagnation running over from one to three years, with possibly a large portion of these men thrown out of work. It will mean at the very least a material reduction in their wages and a very great disturbance in industrial conditions in this State.

If you find, when the matter finally comes to the point of being decided, that the duty can not be retained, I hope that you will do everything you can to place a duty at least upon shingles and lumber exported to this country from British Columbia. This would be only a matter of fairness, since they place on any raw material exported from British Columbia an export duty. The duty on their material shipped into this country would have the effect, in my opinion, of removing this export duty on logs. If we could have their logs to cut up here in the State of Washington it would be a very material help to us.

I wish to thank you at this time for the very good work you have done so far on this case, and to advise you that the lumbermen here certainly appreciate the efforts that you have made in our behalf.

Very truly, yours,

F. H. JENSON.

Hon. Senator W. L. JONES,
Washington, D. C.

TACOMA, WASH., April 22, 1913.

DEAR SIR: Reference tariff on shingles. You perhaps are aware of the shingle situation in this State. For the past five years there has been practically no profit whatever in the manufacture of shingles, and in the meantime the British Columbia shingles have been selling in competition with us and paying 50 cents per thousand duty.

The question before us now is, What is going to happen to our shingle investments providing this duty of 50 cents is eliminated? The cost of shingles, as you are aware, is greatly made up of labor. In British Columbia they use oriental labor almost exclusively, which gives them a considerable advantage in the cost of manufacturing, as we are up against the Shingle Weavers' Union.

In addition to this, the Government stumpage in British Columbia on a license or Crown grant is from \$2 to \$2.50 per thousand board measure cheaper than ours. Under the circumstances you can readily see how and why they compete with us now and where we would be at if they did not have to pay this 50-cent duty.

A friend of mine, Mr. Stevens, of the Stevens-Eaton Co., New York, visited me yesterday and I asked him if he had been selling many British Columbia shingles this past year or two, and he said that they represented 85 or 90 per cent of his sales of shingles, and with the duty off there would be no doubt but that his entire sales would be British Columbia shingles.

In addition to this, the matter of free tolls enters in. Granting that the British Columbia shingle manufacturers can produce shingles at a far lower cost than we, if they have free tolls through the canal or on the same basis as ours, and we are forced to use American vessels, while they, of course, can use vessels of any nation of the world, the benefits of this canal, for which we have all paid our share, are absolutely nil. This is not only true in the shingle business, but it is true in the lumber business, and unless American ships are granted free tolls we can not expect to compete with British Columbia, and the benefits of this great canal will pass off us like "water on a duck's back."

These are two very important questions to the States of Washington and Oregon in our estimation, and I sincerely hope that you will do your utmost to bring these points out to your friends in Congress and in the Senate and endeavor to protect us. I assure you we will appreciate it.

Thanking you very kindly in advance, we are,

Yours, very truly,

TACOMA & EASTERN LUMBER CO.,
By E. W. DEMAREST, Manager.

PACIFIC COAST SHIPPERS' ASSOCIATION,
OFFICE OF THE SECRETARY,
Seattle, Wash., April 22, 1913.

Hon. W. L. JONES,
Senator from Washington, Washington, D. C.

DEAR SIR: The International Shingle Weavers' Union of America will of course be vitally affected if duty is taken off of Canadian shingles. They are of course very busy with the strike and nothing much can be gotten out of them, but for your information I find by the CONGRESSIONAL RECORD that they sent a telegram during the former hearing under date of April 26, 1909, to the Congressmen in Washington, D. C., at that time, and their message reads as follows:

SEATTLE, WASH., April 26, 1909.

To the CONGRESSMEN,
Washington, D. C.:

Having in mind the welfare of the wage earners of the shingle industry, whose standard of living and morals are seriously impaired by competition with Asiatic labor, we most earnestly appeal to you to use every honorable method to secure additional tariff on shingles, that our industry may be saved to white workmen.

INTERNATIONAL SHINGLE WEAVERS' UNION,
C. J. FOLSON, President,
W. E. WILLIS, Secretary.

We also note that the president of the Shingle Weavers' Union wrote a letter as follows:

SEATTLE, WASH., January 15, 1909.

To the CONGRESSMEN,
Washington, D. C.:

I am sending you herewith copy of a set of resolutions which were passed at the recent convention of the International Shingle Weavers' Union of America. I am sure that you will do all that is possible to see that the facts recounted therein are presented where the most good will result.

Yours, very truly,

J. C. BROWN,
President International Shingle Weavers' Union of America.

The resolutions read as follows:

"Resolutions adopted by the International Shingle Weavers' Union of America in convention at Olympia, Wash., January 4, 5, 6, 1909:

"Whereas during the past 10 years there has been a tariff of 30 cents per thousand on shingles imported by the United States;

"Whereas during all this time the imports of Canadian shingles into the United States have steadily increased—have doubled in the last few years—and in the years 1906 and 1907 reached the large total of 8,909 carloads, through which the wage loss to the white workmen in the Washington shingle industry amounted to approximately \$1,000,000, or practically \$40,000 per month;

"Whereas the shingle manufacturers in British Columbia are able to inflict this enormous loss on the wage earners in the Washington shingle industry through the employment of Asiatics, who compose 80 per cent of the working forces in the British Columbia shingle mills, and who accept a very much lower wage compensation and a very much lower standard of living than can the all-white labor of the Washington shingle industry;

"Whereas the white wage earners in the Washington shingle industry have better and higher conceptions of the industrial, social, hygienic, and moral well-being, and, realizing the ideals of their race and Nation, have trained themselves to conform to a standard of living in accordance with American ideas of American civilization;

"Whereas the increasing imports by the United States of Asiatic-made shingles of British Columbia constitute a menace to American institutions by driving white workmen out of the Washington shingle mills, depriving these workmen of the means to maintain themselves and families, thus lessening the amount of money available to farmers, merchants, and other business men in the United States;

"Whereas the wage earners in the Washington shingle mills have been forced to idle nearly 12 months during the past 24 months;

"Whereas they are to a great extent engaged in producing shingles from fallen, fire-blackened, and other cedar that would be otherwise wasted and be a dead loss to the State and to the Nation;

"Whereas the first consideration of the United States Government should be the welfare of its own citizens; and

"Whereas it is understood that some misinformed people now advocate the reduction of the present tariff of 30 cents per thousand, which is even now an inadequate protection against Asiatic shingles made in British Columbia: Wherefore, for these reasons,

"We respectfully and firmly protest against any reduction of the present tariff, and we do earnestly and strongly urge all legislators to save the industry and to protect our necessary wage interest by fixing an adequate protective tariff against Asiatic-made shingles—a tariff of, preferably, 50 cents per thousand.

"Voted, That a copy of these resolutions be sent to each member of the Washington State Legislature, with the request that they memorialize Congress to grant the Washington shingle industry an adequate protective tariff of preferably 50 cents per thousand.

"Voted, That the Ways and Means Committee of the House of Representatives and United States Congressmen from shingle-manufacturing districts covered by the International Shingle Weavers' Union of America be furnished with copies of these general resolutions."

Yours, very truly,

F. D. BECKER, Secretary-Manager.

TACOMA, WASH., April 22, 1913.

Senator W. L. JONES,
Washington, D. C.

DEAR SIR: We are in receipt this morning of a circular from our Pacific Coast Shippers' Association, of which we are members, requesting us to write Members of Congress in regard to the duty of 50 cents a thousand on lumber.

We will say that we differ somewhat in this matter from the association and are not in favor of duty on steel, the breakfast table, or lumber. From an experience of something like 12 years in the lumber business we are satisfied that the duty is a scarecrow. Whereas possibly stumpage in British Columbia is somewhat less than in Washington and Oregon, the cost of logging on account of the very rough condition of the country more than makes up for the difference, and we venture to say that the cost of producing logs at the foot of the slip is more than the same in Washington. The mills in Washington have been shipping thousands of cars a month the last two or three years into British Columbia at a less price than the British Columbia mills care to manufacture the same.

The same thing applies on rolled oats, which we notice in the morning paper. Washington and Oregon are the greatest producers per acre of oats of any State in the Union, and there is no reason at all for any duty on this commodity.

This is the opinion of not only ourselves but of millions of other people that originally voted the Republican ticket up to 1912.

Yours, very truly,

WHEELER-REESE LUMBER CO.,
WELLES WHEELER, Vice President.

Mr. POINDEXTER. Mr. President, my distinguished colleague has very briefly pointed out how a moderate tariff on shingles would be entirely consistent with the theory of the party which is framing this tariff bill. I think he is entirely correct in that; and in that connection it seems to me that a moderate tariff upon shingles, considering the importance of the industry, particularly to the State of Washington, would be in harmony with this declaration:

The annual revenue, after paying current expenditures, pensions, and the interest on the public debt, should furnish a moderate balance for the reduction of the principal, and that revenue, except so much as may be derived from a tax on tobacco and liquors, should be raised by duties on importations, the details of which should be so adjusted as to aid in securing remunerative wages to labor and promote the industries, prosperity, and growth of the whole country.

That was the tariff platform of the Liberal Republican Party in 1872. It was expressly indorsed by the Democratic Party and adopted as the platform of the Democratic Party in that year.

It seems to me that it would also be in harmony with this declaration:

Knowing full well, however, that legislation affecting the operations of the people should be cautious and conservative in method, not in advance of public opinion, but responsive to its demands, the Democratic Party is pledged to revise the tariff in a spirit of fairness to all interests, but in making reductions in taxes it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this Government taxes collected at the customhouse have been the chief source of Federal revenue; as such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step careful of the labor and capital thus involved. The necessary reduction and taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

That was the declaration of the Democratic Party in its platform of 1884.

It seems to me that a moderate tariff on shingles, say a reduction on the present tariff of 50 per cent, would be a pretty

substantial reduction and would also be in harmony with this declaration:

Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises.

That sounds like a Republican Party platform, but as a matter of fact it was the Democratic Party platform of 1888.

It is also in harmony with this principle:

We recognize that our system of tariff taxation is intimately connected with the business of the country, and we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry.

That is the Democratic platform of 1912.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington.

Mr. JONES. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence, I withhold my vote.

Mr. CHILTON (when his name was called). I transfer my general pair with the junior Senator from Maryland [Mr. JACKSON] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. McCUMBER (when Mr. GRONNA's name was called). My colleague [Mr. GRONNA] is necessarily absent. He is paired with the junior Senator from Illinois [Mr. LEWIS].

Mr. LEWIS (when his name was called). I am paired with the junior Senator from North Dakota [Mr. GRONNA], and therefore withhold my vote.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS]. As he is absent from the Chamber, I will withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. BURTON]. I transfer that pair to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent. He is paired with the junior Senator from Florida [Mr. BRYAN]. I will let this announcement stand for the day.

The roll call was concluded.

Mr. REED. I am paired with the senior Senator from Michigan [Mr. SMITH], and therefore withhold my vote.

Mr. BRYAN (after having voted in the negative). I transfer my pair with the junior Senator from Michigan [Mr. TOWNSEND] to the junior Senator from Nevada [Mr. PITTMAN], and will allow my vote to stand.

Mr. BACON. I inquire if the senior Senator from Minnesota [Mr. NELSON] has voted?

The VICE PRESIDENT. He has not.

Mr. BACON. I withhold my vote. If he were present, I should vote "nay."

Mr. LIPPITT. I have a pair with the senior Senator from Tennessee [Mr. LEA], which I transfer to the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "yea."

Mr. GALLINGER. I have been requested to announce the following pairs: The senior Senator from Delaware [Mr. DU PONT] with the senior Senator from Texas [Mr. CULBERSON]; the junior Senator from West Virginia [Mr. GOFF] with the Senator from Alabama [Mr. BANKHEAD]; the junior Senator from North Dakota [Mr. GRONNA] with the junior Senator from Illinois [Mr. LEWIS]; and the junior Senator from Pennsylvania [Mr. OLIVER] with the senior Senator from Oregon [Mr. CHAMBERLAIN].

The result was announced—yeas 21, nays 44, as follows:

YEAS—21.

Bradley	Dillingham	Page	Sterling
Brady	Gallinger	Penrose	Warren
Brandagee	Jones	Perkins	Weeks
Catron	Lippitt	Polindexter	
Clark, Wyo.	Lodge	Root	
Colt	McLean	Smoot	

NAYS—44.

Ashurst	Kern	Ransdell	Smith, S. C.
Bristow	La Follette	Robinson	Stone
Bryan	Lane	Saulsbury	Swanson
Chilton	Martin, Va.	Shafroth	Thomas
Cummins	Martine, N. J.	Sheppard	Thompson
Fletcher	Myers	Shields	Thornton
Hollis	Norris	Shively	Tillman
Hughes	O'Gorman	Simmons	Vardaman
James	Overman	Smith, Ariz.	Walsh
Johnson	Owen	Smith, Ga.	Williams
Kenyon	Pomerene	Smith, Md.	Works

NOT VOTING—30.

Bacon	Crawford	Jackson	Reed
Bankhead	Culberson	Lea	Sherman
Borah	du Pont	Lewis	Smith, Mich.
Burleigh	Fall	McCumber	Stephenson
Burton	Goff	Nelson	Sutherland
Chamberlain	Gore	Newlands	Townsend
Clapp	Gronna	Oliver	
Clarke, Ark.	Hitchcock	Pittman	

So Mr. JONES's amendment was rejected.

Mr. JONES. I desire to offer the amendment so as to read 25 cents per thousand instead of 40 cents. I simply desire to say that that is a reduction of 50 per cent, or 5 cents below the Dingley law. On this amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I am paired with the Senator from West Virginia [Mr. GOFF]. If he were present, I would vote "nay."

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. CHAMBERLAIN (when his name was called). In the absence of my pair, the junior Senator from Pennsylvania [Mr. OLIVER], I withhold my vote.

Mr. CHILTON (when his name was called). I desire to make the same announcement as to my pair and its transfer that I made on the former vote. I vote "nay."

Mr. LIPPITT (when his name was called). I again transfer my pair with the Senator from Tennessee [Mr. LEA] to the junior Senator from Maine [Mr. BURLEIGH]. I vote "yea."

Mr. McCUMBER (when his name was called). On account of the absence of my pair, the Senator from Nevada [Mr. NEWLANDS], I withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer as before and vote "nay."

The roll call was concluded.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Montana [Mr. WALSH], and vote "nay."

Mr. CLARKE of Arkansas. I desire to know whether the junior Senator from Utah [Mr. SUTHERLAND] has voted.

The VICE PRESIDENT. He has not.

Mr. CLARKE of Arkansas. Then I will not vote, being paired with that Senator.

Mr. BACON. I again announce my pair with the senior Senator from Minnesota [Mr. NELSON]. In his absence I withhold my vote. If he were present, I should vote "nay."

Mr. WEEKS. I have a general pair with the Senator from Kentucky [Mr. JAMES]. If he were present, I should vote "yea."

The result was announced—yeas 22, nays 42, as follows:

YEAS—22.

Bradley	Dillingham	Page	Stephenson
Brady	Fall	Penrose	Sterling
Brandagee	Gallinger	Perkins	Warren
Catron	Jones	Polindexter	Works
Clark, Wyo.	Lippitt	Root	
Colt	Lodge	Smoot	

NAYS—42.

Ashurst	La Follette	Reed	Smith, S. C.
Bristow	Lane	Robinson	Stone
Bryan	Martin, Va.	Saulsbury	Swanson
Chilton	Martine, N. J.	Shafroth	Thomas
Cummins	Myers	Sheppard	Thompson
Fletcher	Norris	Shields	Thornton
Hollis	O'Gorman	Shively	Tillman
Hughes	Overman	Simmons	Vardaman
Johnson	Owen	Smith, Ariz.	Williams
Kenyon	Pomerene	Smith, Ga.	
Kern	Ransdell	Smith, Md.	

NOT VOTING—31.

Bacon	Crawford	James	Pittman
Bankhead	Culberson	Lea	Sherman
Borah	du Pont	Lewis	Smith, Mich.
Burleigh	Goff	McCumber	Sutherland
Burton	Gore	McLean	Townsend
Chamberlain	Gronna	Nelson	Walsh
Clapp	Hitchcock	Newlands	Weeks
Clarke, Ark.	Jackson	Oliver	

So Mr. JONES's amendment was rejected.

Mr. GALLINGER. Mr. President, I have an inquiry to make that may save time, and I am extremely solicitous to save time in the further consideration of the bill. If my inquiry is not answered, I might feel when the bill gets into the Senate like offering some amendments.

First, I will ask the chairman of the Committee on Finance if he has given any further consideration to the duty on granite? The Senator from North Carolina, when it was up before, said he had heard no complaints. I have a very urgent complaint from the Salisbury, N. C., branch of the Granite Cutters' Inter-

national Association of America, transmitting a copy of a letter that was sent to the distinguished chairman of the committee.

Mr. SIMMONS. The Senator understands perfectly well that it is not possible for me to read everything that is sent to me as chairman of the Finance Committee. I did not mean to say that no such communication had come to the committee. I will state to the Senator that my plan of dealing with this matter when these communications came to me has been that by my direction my secretary sends them to the subcommittees having charge of the subjects under consideration.

Mr. GALLINGER. Oh, I understand that. I am not complaining at all. The only purpose of my question was to ask the Senator if there is any possibility of having the committee look a little further into the matter.

Mr. SIMMONS. I think, Mr. President, we very thoroughly discussed that particular question and passed upon it, and I know of no disposition to reconsider it.

Mr. GALLINGER. If it is foreclosed, that ends the matter and answers my interrogatory.

Now, Mr. President, one other matter. I have forgotten what Senators constitute the subcommittee on Schedule C, Metals and manufactures of. I want to make a little inquiry about one item in that schedule. If the subcommittee will honor me with their attention, paragraph 137 relates to the duty on needles of various kinds.

I think it is safe to say, Mr. President, that in all previous tariff bills—I feel sure I speak advisedly—latch needles have been differentiated from the others and given a little higher duty. They are now in this bill, thrown in with all other classes of needles, and the duty of 25 per cent allowed by the House was reduced to 20 per cent by the Senate committee, and that has been agreed to. I made my protest and was voted down.

I should like to say to the subcommittee that I wish they would give the matter a little further consideration in their moments of leisure, if they ever have any, and I apprehend they have not many, with a view of seeing whether they could not, following precedents, take latch needles out of the list of the others and give those needles a duty of 30 per cent ad valorem. The present duty I think is 60 per cent or more.

I simply call it to the attention of the subcommittee. If I hear nothing further from it, I shall have to be satisfied. If the subcommittee, after looking into the matter and finding that that particular class of needles, on which there is more labor, has been given heretofore a little higher duty, felt like carrying out my suggestion, I would be gratified.

That is all. I have said this for the purpose of saving time in the future consideration of the bill.

Mr. SIMMONS. Mr. President, this affords me the opportunity to read a letter which I received from Torrington, Conn., written August 12. I think that was a day or two after we had under consideration and discussion in the Senate this paragraph. During the course of his speech in favor of high rates upon the industries of Torrington, and chiefly, I believe, the manufacture of needles, the Senator from Connecticut [Mr. McLEAN] had something to say about the probability of some of those industries moving their plants over to Germany, I think, or to Canada, possibly; I do not remember which. The letter I have is from Mr. Thomas A. Carroll. Of course, I do not know him. It is directed to me as chairman of the Committee on Finance, dated August 12, 1913. I will read only an extract from it. He says:

DEAR SIR: As a constant reader of the CONGRESSIONAL RECORD I found much that displeased me with the impression GEORGE P. McLEAN, of this State, sought to give your body when the tariff on needles was being discussed. He referred to the speech delivered by Congressman UNDERWOOD at Waterbury and drew a vivid picture, as I understand it from the RECORD, of many needle workers from Torrington being in the audience, drinking in the tariff wisdom of Congressman UNDERWOOD, taking it for political gospel, being converted to the Wilson cause, and then going back home and voting the ticket on election day that put President Woodrow Wilson, Democrat, in office.

Unfortunately—and I sincerely hope that it is for the last term—both United States Senators from Connecticut are Republicans. They are about the only calamity howlers from the Nutmeg State that I know of at the present time. Business at the Excelsior Needle Co.'s plant here, of which Senator McLEAN appears to be so solicitous, was never better, and the folly of the statements on his part that the business will have to be removed to Germany if the tariff is lowered is evidenced from the fact that at the present time a large addition is being built to this needle factory. Similar conditions obtain at the plants of the Standard and Progressive companies, both of which, like the Excelsior Needle Co.'s factory, are affiliated with the Torrington company.

There is more of the letter, but that is all I desire to read.

Mr. LEWIS. Mr. President, I should like if one of the pages could inform the Senator from New York [Mr. Root] that I desire to make some references to his observation as delivered by him this morning. He went out of the Chamber, and I do not like to speak concerning his remarks during his absence.

Mr. GALLINGER. While the Senator is waiting I want to add just a sentence, if the Senator from North Carolina [Mr. SIMMONS] will permit me.

I know nothing about the Torrington factory at all. We have, I think, seven or eight needle factories in New Hampshire. Some of our most prominent men are connected with them in one way and another, some Democrats and some Republicans, and they are all very solicitous about this particular item. All I have asked is that it be looked into a little further, and whatever the conclusion is will not satisfy me, but under stress, of course, I will have to accept it.

Mr. BRANDEGEE. In connection with the matter that the Senator from New Hampshire [Mr. GALLINGER] and the Senator from North Carolina [Mr. SIMMONS] have just been discussing, I wish to interpolate a word, if the Senator from Illinois will allow me.

Mr. LEWIS. Yes; I yield for a moment. I do not yield the floor.

Mr. BRANDEGEE. Oh, no. I will not take over a minute.

The Senator from North Carolina [Mr. SIMMONS] has referred to some statement made by my colleague [Mr. McLEAN] the other day in relation to the needle business in Torrington, in my State. I will say that my colleague at present is absent from the floor, attending to his duties as a member of the Banking and Currency Committee, which is having a hearing upon pending legislation.

As regards the situation in that business, I read from a letter signed by C. B. Vincent, secretary of the Excelsior Needle Co., of Torrington, Conn., which is the company to which the Senator referred. He states:

We are inclosing a brief on sewing-machine needles such as we submitted to the Ways and Means Committee. We think that this brief was not published as submitted, as we asked that some paragraphs be left out, we believing that it would injure us to give our costs so in detail to our foreign competitors, and we should like to ask that you do not allow these figures to get out for publication.

The Ways and Means Committee made the duty 25 per cent, a reduction of \$1 per thousand. The Finance Committee of the Senate have changed the already low 25 per cent to 20. This is a serious matter to us and we wish that if there is any way you can help us to at least retain the 25 per cent as fixed by the Ways and Means Committee, you will do so.

I simply put that into the RECORD to show that while the gentleman who signs the communication to the Senator from North Carolina, whose name I did not catch, and about which I do not care anything—

Mr. SIMMONS. I will give the name to the Senator again: Thomas A. Carroll.

Mr. BRANDEGEE. I will say in passing that I think the president of the company is probably a better judge of his own business and of the proceedings of the company than the gentleman who expressed his political views to the Senator from North Carolina.

Mr. SIMMONS. I have no doubt that is so. Mr. Carroll writes a very intelligent letter, but I am sure that the president of the company knows more about the business than he does, and he is showing his confidence in the future of the business not by preparing to move his plant to Germany, as was suggested, but by doubling its capacity, if the statement of Mr. Carroll is true.

Mr. BRANDEGEE. I have no doubt that he relied upon the promises of the Senator and his President and his party that they would not hurt his legitimate business, and he started an addition which he no doubt very much regrets at present.

Mr. SIMMONS. He has had three or four months in which to stop it if he is going to move to Germany. There is no reason why he should continue to build if he is going to Germany.

Mr. LEWIS. I have the floor.

Mr. BRANDEGEE. I do not wish to trespass upon the time of the Senator from Illinois at any further length.

Mr. LEWIS. Mr. President, I am emboldened at this moment to make some observations concerning the views of the senior Senator from New York [Mr. Root], just expressed by him, upon a feature of the income tax—the exemption.

I was particularly attracted, Mr. President, by the allusion of the distinguished Senator to what he feared was an invasion upon the right and privilege of the States to protect themselves in the matter of their income, also as to the application of their incomes to their own need. The Senator was concerned as to the States maintaining their power and right to levy a tax within the State to obtain the income for their home uses. As I listened to him—I was strongly impressed with the wisdom of Thomas Jefferson's observation that "an often recurrence to fundamental principles is salutary and preserving."

The distinguished Senator from New York addressed his observations to that theory of government which the men of the

school of politics such as I adopt, calling themselves Democrats, have ever advocated as essential to the real preservation of the theory of this Republic. That is the right of home rule in the States—the defeating of any attempt or power of the National Government to invade the precincts of the States and by presuming upon an assumed privilege of national authority prevent the local government from exercising its privilege and rights within those constitutional guaranties which the founders of our Government intended it should enjoy. I was particularly attracted by the distinguished Senator—recognizing his eminent ability and paying great tribute to his skill as a lawyer and his experience as a statesman—in warning the Democracy—turning to this side of the House—of how it was on the eve of permitting a measure to pass in this body which would not only invade the privileges of the States, but destroy their local autonomy—and greatly distress the State of New York—by its audacious intrusion.

Mr. President, I join with that distinguished statesman from New York in not only expressing the fear of such approach, but I go one step further, and denounce the evil of its present existence; but I am compelled to remind the distinguished Senator from New York that if any man should ask me as a fellow American to what source I would charge this new growth of centralism and centralization—this encroachment upon the States to which he alludes; I would be compelled to turn to the distinguished Senator from New York and in the accusation of the humble shepherd in Israel to the King say: "Thou art the man."

I can not forget, nor should this country forget, that at a time when a constitutional lawyer might have been prudent to guard the relative functions between the States and the Nation there arose in this country, in a national administration which was then in power, a general tendency to override both the privileges and the rights of the States; this to accommodate itself to the mere expediency of politics on the one hand and to gratify the hue and cry of multitudes on the other. Sir, I recall that it was the distinguished Senator from New York who, in a very eloquent address—characteristic of the ability that ever attends his utterances—at a state dinner of the Pennsylvania Society in the Waldorf-Astoria Hotel—struck a new keynote in the pursuit of the policy of his then chief, then President of the United States, Mr. Roosevelt. It was the doctrine asserted just previously by President Roosevelt at the laying of the corner stone of the capitol at Harrisburg, Pa. In the wake of this utterance threatening the existence of the States as sovereign bodies, the distinguished Senator from New York at the Waldorf gathering said, "As the States will not do their duty, and because they will not do their duty"—the Senator measuring that duty by the standard of the distinguished Senator and his distinguished chief—"the National Government must step in and do it for them."

Thus the people of this country were educated to the theory that wherever a State had large riches, such as New York; bountiful wealth, powerful men, eminent politicians, financial jugglers and acrobats of honesty, the State is assumed to be unable to control itself. According to the idea then put forth to the multitude all this was due to the fact that the State would not control itself. Then and there the people were educated by the Senator that it was then the duty of the National Government to step in, administer the punishment, and inflict the chastisement on the State and pluck the merely well to do because of the State's failure to act as certain interests demand.

Mr. ROOT rose.

Mr. LEWIS. I see the Senator from New York rises. I dare say he desires me to yield for an interruption. I do so at once.

Mr. ROOT. I feel humiliated, Mr. President, by the revelation of the fact that the Senator from Illinois never read the speech to which he refers. I said no such thing as he has put into my mouth; I thought no such thing. I never said any such thing anywhere on any occasion, and I never shall. What I said in the speech to which he refers before the Pennsylvania Society was to put the question "How can the States preserve their local self-government?" and to answer the question by saying, "They can preserve their local self-government only by performing the duties that rest upon them." To that I stand, and I think I always shall stand.

Mr. LEWIS. Mr. President, the distinguished Senator from New York says he feels humiliated. I can readily understand how now, upon a sober sense and upon a calm reflection, he would feel a sense of humiliation as to many utterances of his; but as to that one in particular, and the effect it has produced upon the country. I naturally realize that he would give a good deal could it be recalled. I remind him that the utterance to which I now allude was made at the Pennsylvania Society

dinner by him, while the latter part of his utterance which he now presents as a qualification of the evil to which I have alluded was not made by the distinguished Senator at the dinner at the Pennsylvania Society. I remind the Senator that the latter portion quoted by him was uttered when he sought to correct the evil of his first offense and escape the penalty. This was when he assured the people of New York that his point of view was not any longer such as had been indicated in the Waldorf speech. This correction was in his able utterance when accepting the election to the Senate from the Legislature of New York. Upon the occasion of accepting his election by the Legislature of New York, was the latter part of the utterance expressed, although it might have been a duplicated one from a previous speech. I surely will admit that anything the distinguished Senator from New York may say is worthy of repetition, either by himself or from any other source; but I again say that of the speech to which I allude the distinguished Senator is conscious of the fact that all over the country this speech was referred to; it was printed in the public papers; and I now ask the distinguished Senator if in that speech he did not say that "if the States failed to do their duty, the National Government would have to do it for them"?

Mr. ROOT. No, Mr. President. I said if the States failed to do their duty the American democracy, which abhorred a vacuum in government, the National Government, would inevitably step in and do the duty that the States refused to do.

Mr. LEWIS. Exactly. Mr. President, it was immaterial where the Senator pleads guilty—whether it is on the first or the second count of the indictment, the judgment is the same. He admits that which I said he expressed was what occurred.

Mr. President, it is because I, knowing the Senator to be an eminent lawyer and statesman, both in matters of constitutional law and the theory of this republican Government, that I was surprised at the utterance then, and I saw that he was then planting the seed of a tree which ultimately grown he would have to draw his own ax upon, lest it should poison the very shade in which he must survive.

Now, what finds he? That the people took his teachings in the State of New York seriously, and throughout this country are demanding through the voice of Senators in this body that they shall carry out the very creed of the distinguished Senator, and inasmuch as New York has failed through her rich men to pay her proportion of taxes, and has allowed the personal-property taxes on her vast and unlimited millionaires to be less than the personal taxes paid in the lesser State of Wisconsin, cheating the public before the eyes of the Nation, swindling the citizenship before the honor of the country, and depriving the humble people of their right of proportion and their privilege of having the expenses of government borne by all to the extent of their possessions; there has sprung up in the land a sentiment of just such retaliation as forced itself over the Senate and over the doctrine of constitutional State and Federal demarcation demanding the very form of confiscatory punishment which the Senator rightfully inveighs against. They, the people, now demand that New York pay the penalty, either through the hand of the Federal Government on the one hand or the hand of the State on the other. As it has been observed that they will not obey the State law, but evade it by either failing to make their returns of taxation or committing perjury to cheat it; there was but one refuge, and that was to follow the advice of the distinguished Senator from New York; and when New York had failed to do its duty, for the National Government to step in and chastise them by doing it for them by levying any sum on New York that the "mob" on the corners, in the streets and alleys, demand.

The Senator alluded characteristically, with his wisdom, to the theory upon which this Government was established. He adverted to New Jersey and called attention to the part she played in the Constitutional Convention, where her statesmen demanded that the smaller States should have equal representation with the larger ones. But, sir, I take issue with much trepidation with the distinguished Senator on his construction of the objects of this demand. It was not merely for the reason that the States should have equal representation, but Mr. Paterson, of New Jersey, speaking on the subject, specifically urged as one of the very reasons for that claim that the local sovereignty of the distinct localities might be preserved, equally balanced one with the other in matters in which the sovereignty of the State was to exercise its function of government, and in the Senate be equal in vote to preserve its sovereign position.

Mr. President, we have seen much in these later days of this new theory advocated by the Senator. Lately the one that has gradually stolen upon this Nation, augmented by such responsible wisdom and from such an eminent source as the

distinguished Senator from New York, is designated national conservation. All around this Nation goes the impression that the time has at last come when States shall have no longer a sovereign existence, when there shall no longer be home rule, when within their precincts the States shall not be any longer permitted to control their own affairs by their voice and vote. This movement has increased to the embracing every conduct of the State from the regulation of railroad freight rates in the State and the municipal control of city utilities. Now the Federal court, as a disciple under the teachings of these brilliant masters—and before all others stands the distinguished Senator from New York—has seized the States and cities, figuratively speaking, in the clutch of its hands, dragging them into the Federal court, and, under the theory that the Federal Government has the right to suppress and control the State as its pleasure dictates, has through Federal court injunction paralyzed the construction of needed improvements in the State and city, restrained the officials of the city, county, and State governments, and denied to the local bodies the right of home rule. All this upon the theory that the Federal Government alone has the right to control the States as a body, and to direct the private affairs of the citizen of the State in his private concerns. So extensive has this vice of government grown that here in the Nation a school of gentlemen exists advocating the seizing of every Western State, and as it were, rolling it around their wrists, throwing it across their shoulders, and marching to New England and presenting the State as needing the wise men of the East as conservators. Under the theory of conservation they have locked up the resources of the West, paralyzed her industry, diminished her opportunity, discouraged her capital, and deprived her citizens, all without any regard to that fundamental doctrine which the distinguished Senator is right in now asserting, that within these localities, if there is to be preservation of the citizen in purely local affairs, let him be preserved by himself by his voice and vote; if there is to be conservation in the affairs of the State or the locality, let it be conserved by the law which is created by the ballot of the people in their home government.

The distinguished Senator may well take the suggestion from one of his colleagues in this Chamber, even though that be myself, that unless such as he shall raise his voice more frequently for this abandoned doctrine of democracy, unless there shall be a greater devotion to the Constitution and a larger degree of obedience to its spirit, the whole theory of home rule, State sovereignty, and local home rule within local precincts will all have been crushed out of existence, and there will overcome them the centralized power dictated from a Washington authority, stimulated by the sentiment of political favor to party or administration privileges to favorites. There will arise the creed proclaiming that what the Capital of Washington can not regulate shall be destroyed; what it can not punish shall be confiscated; that riches in new States is a crime and possession by industry treason.

It is the specific income tax against which the Senator inveighs. He reminded the Senate, if I did not misunderstand him, that his people were about to have inflicted upon them some great unparalleled blunder, some inexcusable offense. Said he, "My people are to be taxed. My people will have to pay the tax you levy." Who are the Senator's people? Do I gather from the Senator that only that distinguished brood of gentlemen who nestle around Wall Street are his people? Those who have amassed millions, then hid them in strong boxes, while they have escaped the responsibility of the ballot box? Are they only his people? Are they whose vast fortunes, maintained through perjury or evasion of law, have always escaped the assessor and dodged the tax collector—are they only his people, those who have millions of dollars? Are there no millions of poor and miserable in New York? Are those who, in humble homes and amid suffering, have been compelled to pay the taxes out of their wages, laid heavily upon them by the masters who would not pay their taxes and whose failure had to be made up by taking from the humble the deficiency in order that the expenses of the government of New York might be maintained—are they not his people? Has he no voice for them?

Why should the distinguished Senator from New York ask that his people, or, to paraphrase him, "my people," should be exempt? Sir, in this Government I will not assume that any one set of people have a right to say through the voice of any man, however distinguished or elevated, that others must contribute to their burdens and bear them. That because they have managed to attract in some way a glamour about their existence and grasped power with one hand and held the privilege of wealth with the other, must be exempted from bearing their burden and discharging their responsibility, all sir, because

they are a great people in finance, a wonderful people in riches, and a shrewd and artful people in the mysterious manipulation of the thing called finance.

Why, then, sir, is this tax laid? My distinguished friend the eminent Senator who honors his seat in representing New York fails to realize or, if realizing, fails to note the real reason of the tax upon these incomes. Sir, speaking for Democracy, the object of levying a tax upon wealth is not because it is wealth. Such would be anarchy. I spurn it as a doctrine which no constitutional scholar of Democracy would accept under any conditions. Nor, sir, is it a tax on wealth because the men who have it are rich. That, I am told, is a species of socialism. I know such would violate the fundamental doctrine of a man's property having the right of protection and never to be taken from him without due process of law.

I say to the Senator that the theory of a tax upon such incomes is, as Adam Smith well put it, that they should bear the burden of the tax who draw the greater benefits from the Government in which they live. Sir, the tax is not put on incomes of wealthy men because they are able to bear it by reason of the mere volume of their wealth, but for the other reason, sir, that most large incomes from great fortunes are not earned by toil. They are not gathered by sacrifice. They are not garnered in agony. They are the results of the thing called interest, by which a man takes a fortune, however gotten by him, and lends it out in portions to others who may need to use it for such price as the owner may put upon it. It is upon the theory of this increment being unearned by toil, unearned by sacrifice, and undeserved often because of the character of men who possess it, that its levy is justified. An income tax is laid not to punish wealthy men, but in order that the other class of human beings who having no wealth are compelled to pay the general tax and bear the burdens of government may not be solely selected for sacrifice by the discriminating doctrine which has so long prevailed in government—that those who are helpless shall be hopeless against the power of privilege and taxation.

Thus, Mr. President, these incomes are laid hold of by the Democratic Party, through the constitutional doctrine of government, in order that the rich who have by privilege of government drawn to themselves these incomes may pay to the maintenance of government such proportion as the incomes bear to the needs of the country. And why? Why, Mr. President, there is a rumor in the air here and there, sometimes voiced by the distinguished Senator from Massachusetts [Mr. Lodge], whose erudite learning is always a source of joy and a tribute to the body in which he sits, that America broods for the moment in the shadow of serious conflict with foreign powers.

In such an hour, sir, if war should be declared in this country, whom will we find rushing to this Capital, through their emissaries, asking for the protection for their wealth by the bayonet and gun, demanding to be barricaded in safety by the lives of the sons of the Republic? Whom shall we see rushing to the Government asking that navies be put out to the waters bordering their possessions to protect them—demanding that they may be fortified with protection in every wise, safe against all assault?

It will be these delectable gentlemen who for awhile linger in America, absent from the polling booths, their names seldom seen upon the tax collector's list, while they flit from here to Europe, and there in their luxurious yachts or in speeding joy automobiles ensconce themselves along the Riviera in the Mediterranean in the winter or in the mountain fastness of pleasure resorts in the summer. These who contribute little to this Government and yet who would demand promptly that every man of the poor who could give his life—from the farm, the factory, and the mill—shall be summoned to die to save their wealth from the assault of those who intrude upon the Nation or threaten it with invasion. It is such as these who will be found crying for the navies with their gallant men to go out upon the broad seas with their batteries to save them and theirs. Yet, sir, shall it be said that the Senator's "people" shall not be taxed because, forsooth, they are able to pay and are his chosen people? Shall they be exempt because they will not be able to swear off the tax upon the one hand or swindle the collection of it on the other?

The time has not come, I say, speaking for myself, when the Democracy of this country will take any man's property because he is rich; but it will allow no rich man's property to escape its just burden because it is wealth and its owner powerful. The doctrine of Democracy, sir, is not that we make war against wealth for that it is wealth. The theory of Democracy can be well stated: We do not make illegal war against legal wealth, but we do make legal war against illegal wealth.

There we stand. If these privileged and superior gentlemen for whom the Senator elects only to speak are those who feel that they will have this Government to protect them, that they will have this Government to sustain them in the possession of their riches, that they will have this Government send its young sons to death to save them and their wealth, then, sir, I demand that they shall contribute to help to build the Navy, to maintain the Army, to save the honor of the Nation of which they are a part and many of them so little credit.

The Senator speaks of "my people." I would invite to his respectful consideration the fact that my observations through New York are those which would apply in any State of this Union. There is to be seen the burdened farmer bending over the ground in toil through the heat of the day, with his blistered hands and bowed body, striving for a mere existence. He pays his tax of from 100 to 200 per cent upon the mere necessities of life, ostensibly in order to maintain a Government, but really to give fortunes to those for whom the Senator speaks as "my people." There is the toiler in the mill, the man in the factory, and the slave in the workshop, all with small wages, all these being constantly reduced in their possessions and whose substance is being consumed for the mere privilege of living. This man he, too, pays the tax and also bears the burden of the tax that is evaded by those who are the Senator's "people." Why, then, shall not they the Senator's "people" be forced to pay a little out of that which they filch from others and assist to maintain the Government which protects their wealth which they now seek to have shielded and exempted from any responsibility?

The Senator says "my people" will have to pay the tax. What law is there here which specifically applies the income-tax provision to New York only? Where are there any people who will escape? The tax is paid by all those with incomes exceeding \$3,000, whether they are in the imperial State of Illinois or the empire State of New York; whether in a State demeaned by the poor representation I may give my State or honored by the magnified position the distinguished Senator gives his. None escape. All, I say to the distinguished Senator, wherever they are, from ice-bound Alaska or the Tropical Zones of Porto Rico and the Philippine Islands. From the fields of toil, where they garner the grain in sadness; in the machine shops; in the factories, where the lives of little ones are ground out in order that from their sacrifices privilege may coin money for "his people." Sir, I answer, they are all *our* people, these poor and broken lives spent with toil, and it is for these I speak. It is for these all of us should speak.

New York is a great State. Her imperial magnificence I certify. The grandeur of her position in the Republic I am delighted to admit. The noble statesmanship evidenced by every declaration on the part of the distinguished Senator, that, too, I pay tribute to. But I can not permit the doctrine to go out that the Democracy is pausing for a moment to listen to the direction of the distinguished Senator from New York as to how "his people," limited by Wall Street in the daytime and the Waldorf-Astoria Hotel at nighttime or capering upon the shores of the distant seas of pleasure or amidst the allurements of the tropic isles, shall be exempted from the just burdens of taxation because, forsooth, these select few he has selected as only "his people."

As far as I am concerned, sir, I say that I can not see how such a doctrine can have place in a legislative hall where the doctrine is the law, just the law—that equal law that applies to all mankind. Mr. President, it is remembered that Sir James Mackintosh, in a very celebrated utterance, exclaimed in a certain great assemblage:

My Lords, give me civil justice. With that, all things will be equal and just, and to all men. Deny it, and liberty will be deprived the humble, and not a crown in Britain safe from revolution.

No people, Mr. President—not the opulent State of New York, with its pretensions, nor any other—has a right to come into this Chamber through the voice of any man, however distinguished, and demand, because they are that which they assume to be superior, that they shall be exempt from paying their debts to humanity. If the people of New York have been enabled, by any manipulations of any legal policy or any machinations of financial trickery, to gather to themselves the money of the people throughout all the great West, for which I honor myself in speaking, and have been able through these means not only to amass it but to hide it within their coffers, far from the eyes of the tax-administering officers of the State law, then let them understand there will be a method obtained in this National Government by which it will be justly reached.

If the States have failed to do their duty, as the Senator well said in his splendid speech, lately referred to, no State has

been more marked in that peculiar violation of Democracy than the State of New York. It was no doubt because it did fail to do its duty in collecting its personal tax that there arose just such sentiment throughout this country, crying out for the very retaliation against which the Senator now begs salvation. I join him in his now adopted theory of government. There is no hour in this country, under a constitutional government, when any true citizen can give his approval to the doctrine that merely because a man is rich he shall be assailed and his possessions taken from him by any policy or process of confiscation. There is no place in this land for creed or statesman whose theory is that because another man prospers he shall be destroyed. But, on the other hand, there shall not exist at any time when I am permitted to speak my protest any set of men, however high in their own imaginations or in the belief of their representatives, who shall demand and receive exemption from their responsibilities to citizenship, their duties to government, their contribution to the welfare of their Nation.

The Senator says this exemption of \$3,000 means the exemption of all of the people in the West and putting the burden upon "his people." How can he so reason? There must be some form of exemption. Shall I assure the Senator that he did not pause in his usual judgment to reflect on the reason of that exemption? The exemption of \$3,000 is not put in this bill in order to give a man \$3,000; but since the Senator admits the equity of the principle that there should be an exemption, claiming \$1,000 as proper, I answer him, then, if any exemption is equitable, the exemption should be just such an amount as is necessary to the purpose of exemption—the maintenance of the individual for mere living. This in order that he may not be doubly taxed. It is upon that great army of unfortunate citizens—unfortunate because of the great oppression that has been laid so heavily upon them; unfortunate because of the yoke that chafes on their shoulders; unfortunate because they have been subject to the obedience of such masters as the distinguished Senator refers to as "my people"—that taxation principally falls. They must pay upon their bread a bread tax, upon their meat a meat tax, upon their shoes the tax of the Shoe Trust, upon their garments the tax of the Woolen Trust. Upon their very existence they pay a double tax, and the exemption is made because of that tax that they must pay in so much greater proportion than the great wealthy, because the heavier tax seems to have been laid upon them. The theory is that those people should be exempt from this income tax in order that they may not be doubly taxed. First, the indirect tax on all their needs, by high tariff, making high prices; then on the wages coming in to pay the prices. It is not because they may have \$3,000 a year that they are not taxed, any more than because the distinguished Senator's constituents having \$3,000,000 a year they should be taxed. It is because all of the income up to \$3,000 is consumed by the Government in the mere price of living.

Mr. President, I merely rose, observing that the distinguished members of the committee had other things to occupy their minds, and possibly not being drawn to the observation of the distinguished Senator. I arose to state a view of the Democracy, that the record may be set right; that the distinguished Senator from New York may not labor under the apprehension, however flattering to his soul, that he has frightened or humiliated this side by referring to "his people" and picturing the awful calamity that will befall them should justice be done them. I speak that he might not think that this side could be moved from its duty as it saw it under the laws of men, under the doctrine of justice, under every duty to its party and to the country by his declaration of the superiorities of "his people."

I join the distinguished Senator in every effort he will assume to make in this Chamber, as long as he honors it with his presence, in bringing back the people of this Government to the constitutional theory of this Government.

We have heard lately in a campaign, from a distinguished gentleman who was the chief of the distinguished Senator, the great war shibboleth, "Bring the Government back to the people." But I say the hour has come, sir, when our cry should be "Bring the people back to their Government." Sir, there should be something more learned and something more known of the theory of equality upon which this Government was founded by the fathers, that it may be preserved to the sons. I join the distinguished Senator in the hope that every movement and every act of ours may serve to preserve the line of demarcation between the right and privilege of the States on the one hand and the power and privilege of the Federal Government on the other. That we may not teach the multitude that they have the right, under the name of the National Government, to intrude upon the States, depriving them of any government and robbing them of the right of their citizens to home

rule. Let us try again to educate the people in the doctrine of the fathers, that they may not have to hearken to these protests from distinguished sources, warning States that they are liable to destruction by their own hands, and through their own carelessness suffer the usurpation of Federal authority. Let us no longer indulge the false creed that if the States shall not do their duty as some outsider sees it for them that they may be driven by the Federal Government chastising them by a system of laws burdening the poor and exempting the rich. Let us teach the other and nobler creed of the Christ, of right as no respecter of persons, and say with Lord Mansfield, "Let justice be done, though the heavens fall." Then, sir, we will fulfill the hope of the fathers of a government of equality to men and justice to country.

Mr. JOHNSON. Mr. President, before leaving Schedule D, I wish to suggest an amendment of the committee to paragraph 174, on page 51. In line 19, after the word "fruit," the committee moves to amend by striking out the words "by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture" and substituting in lieu thereof the words "and be exempt from duty."

Mr. SMOOT. Allow me to suggest to the Senator that if, as I suppose, the purpose of his amendment is to allow all boxes containing fruit to be returned to this country free of duty, it seems to me that if the Senate will disagree to the amendment offered by the Senate committee and allow the House provision to stand as it was and not change paragraph 412, the object the Senator has in view will be accomplished, and accomplished a great deal easier. Then they will come in free under paragraph 412, and we will not have to mention anything in the dutiable list as being free.

Mr. JOHNSON. Mr. President, it seems to me the two would then conflict, because in paragraph 412, among the containers which are made free of duty after being sent from here, these words are used:

Including shooks and staves when returned as barrels or boxes.

If the language I have suggested be stricken out, then, under that provision of paragraph 412, they would come in free of duty.

Mr. SMOOT. Of course, Mr. President, it seems to me that the other would be the simplest and best form and attain the same object; but if the Senator prefers to do it in this way, I have no objection.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In paragraph 174, page 51, line 19, after the word "fruit," strike out the words "by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture" and insert "and be exempt from duty."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is on page 58—

Mr. WILLIAMS. Before going to that there is an amendment I desire to offer on page 53, after the words "nineteen hundred and fourteen," in line 11. I move to strike out the semicolon and insert a comma and the following words:

Until which date the rates of duty provided by paragraph 215 of the tariff act approved August 5, 1909, shall remain in force.

This is to prevent a possible hiatus during which there might be no sugar bill.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 53, line 11, after the words "nineteen hundred and fourteen," insert a comma and the words:

Until which date the rates of duty provided by paragraph 215 of the tariff act approved August 5, 1909, shall remain in force.

The amendment was agreed to.

The SECRETARY. On page 58, paragraph 215 was passed over at the request of the Senator from Washington [Mr. JONES].

The VICE PRESIDENT. The paragraph has been read and the committee amendment agreed to.

Mr. SHIVELY. At the conclusion of paragraph 215 I move to insert the following proviso:

Provided, That all mature mother flowering bulbs imported exclusively for propagating purposes shall be admitted free of duty.

This is the substance of the amendment suggested by the Senators from Washington.

Mr. POINDEXTER. That is true, Mr. President. I think it meets entirely the suggestion which we made.

Mr. SHIVELY. The Department of Agriculture holds that the words make a sufficient definition to differentiate these bulbs from the other bulbs mentioned in the paragraph.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 59, line 2, at the end of paragraph 215, insert a colon and the following proviso:

Provided, That all mature mother flowering bulbs imported exclusively for propagating purposes shall be admitted free of duty.

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is on page 60, paragraph 221—fish.

The VICE PRESIDENT. The paragraph has been read and the committee amendment agreed to.

Mr. WILLIAMS. That was passed over at the request of some Senator who wanted to discuss it, the Senator from Massachusetts [Mr. LODGE], I think.

Mr. LODGE. I discussed it. I did not ask that it be passed over. I spoke on it when it was up.

Mr. WILLIAMS. Does not the Senator remember that one day he was not in the Chamber and some one said that he wanted to discuss it?

Mr. LODGE. It was passed over one day when I was absent, and I took it up as soon as I came back and discussed it.

The VICE PRESIDENT. On the same page paragraph 222 was recommitted.

Mr. WILLIAMS. The Senator from Washington [Mr. JONES] had an amendment to that paragraph. I think his amendment is pending.

Mr. POINDEXTER. The senior Senator from Washington [Mr. JONES] is not present. I would be glad to have the paragraph passed over temporarily until my colleague is present.

Mr. WILLIAMS. I think the Senator from Washington afterwards came in and offered his amendment. It was about apples, you will remember. He wanted a duty of 25 cents a bushel on apples. His amendment was offered and, I think, voted upon.

Mr. SMOOT. Paragraph 222 went over on my request. I called the attention of the Senator from Mississippi to the words "pineapples preserved in their own juice, 20 per cent ad valorem." He said that he would take up the question and decide whether there should be a change in that language. I do not know whether the Senator has done so or not.

Mr. WILLIAMS. Yes; we took it up and we did not see any reason why there should be any change made.

Mr. SMOOT. Then I will not even offer an amendment.

Mr. POINDEXTER. I am not sure whether the senior Senator from Washington has any further amendment pending to that paragraph or not. I should like to have an understanding that it might be returned to at some time when he is present, if he desires to offer an amendment to the paragraph.

Mr. WILLIAMS. I do not think that could be the case, because he offered about three amendments, I believe, that were all voted on. Let us go ahead.

The SECRETARY. On page 62, paragraph 234, the last five words in the paragraph were recommitted to the committee. They read:

Dead, 2 cents per pound—

Speaking of poultry.

Mr. WILLIAMS. That paragraph was passed over at the time because it reads "Poultry, live, 1 cent per pound; dead, 2 cents per pound." The Senator from Utah called attention to the fact that poultry might come in free under the head of "canned or otherwise prepared."

Mr. SMOOT. It comes in free under paragraph 548 when "prepared or preserved."

Mr. WILLIAMS. Yes; but the committee considered that very fully. In the free list it says, "except where otherwise provided," and certainly canned poultry is about as dead as any other sort; and preserved poultry is pretty dead, too.

Mr. SMOOT. Both are; but one is carrying a duty and the other is on the free list.

Mr. WILLIAMS. In order that there may be no trouble in the administration of the law as to whether canned and preserved poultry is dead, we offer an amendment. After the word "pound," in line 23, page 62, I move to strike out the period and insert a comma and the words "canned or preserved poultry, 2 cents per pound."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 62, line 23, after the word "pound," strike out the period and insert a comma and the words "canned or preserved poultry, 2 cents per pound."

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is paragraph 238, page 63, which was recommitted to the committee.

Mr. WILLIAMS. The committee has no change to recommend in that paragraph.

The VICE PRESIDENT. It is then reported back without amendment.

Mr. NORRIS. I move to strike out the paragraph.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska to strike out paragraph 238. The paragraph will be read.

The Secretary read paragraph 238, as follows:

238. Dandelion root, and acorns prepared, and articles used as coffee, or as substitutes for coffee not specially provided for in this section, 2 cents per pound.

Mr. NORRIS. Mr. President, at the time this paragraph was recommended to the committee there was some discussion in regard to it, but the discussion was closed with the suggestion of the Senator from Mississippi that if the matter was referred back to the committee they would give it consideration. I should like to inquire of the Senator if, upon consideration of it, they found that these substitutes for coffee were imported as coffee?

Mr. WILLIAMS. We did not find that they were imported as coffee, but that after they got here they were sold as coffee very frequently.

Mr. NORRIS. Did the Senator look into the question as to whether that was not a violation of the pure-food act?

Mr. WILLIAMS. I expect it is, but the danger is so great of its being the cause of a violation of the pure-food act we thought we ought to keep this duty on.

Mr. NORRIS. By charging a tariff on it, is the Senator of opinion that it will prevent the sale of it afterwards as coffee?

Mr. WILLIAMS. I think putting a duty of 2 cents a pound on it will render it less profitable to import it with coffee or sell it for coffee. It will render it less profitable to perpetrate any fraud upon the pure-food act.

Mr. NORRIS. It seems to me that the committee ought to admit free of duty anything that can be used or that is used as a substitute for coffee. At this time I am not going into a discussion of the Brazilian coffee valorization scheme. I have an amendment pending, on which I expect to submit some remarks later on; but I believe it is conceded by all that the price of coffee has been manipulated by this great international trust and has been more than doubled in price; that it is an unconscionable trust, one that has no defense, directly or indirectly, in any way; and that tribute has been levied upon the consumers of coffee in America for four or five years on account of this great combination.

The only argument which was offered the other day when we had this subject up for discussion for not striking out the paragraph and then putting these substitutes on the free list was that they might be sold under the name of coffee. I was of the opinion then that they were imported as substitutes and that there was no intention when they were imported to deceive anybody as to their nature. If I understand the Senator from Mississippi, I believe that is now conceded, but that after they are imported and the purchaser gets them they are sometimes sold as coffee.

Mr. WILLIAMS. I did not say that was conceded. I merely said we had no evidence of the fact that they are imported as coffee. I do not know whether they are or not; but what we did have evidence of, what we were satisfied of, was that after they got here they were used in certain places to mix with coffee and sold as coffee.

Mr. NORRIS. I have an idea, if it be true that they are mixed with coffee and sold as coffee, the chances are that the mixture is sold at a less rate than pure coffee. I would not want to do anything, either in this bill or in any other, to deceive any purchaser or make it possible for anyone to sell something for coffee that was not coffee, and I would not intentionally do so; but, as I look at it, it can make no difference, as far as that deception is concerned, whether the substitutes have a tariff upon them or not. The fact that they have a tariff upon them does not make it look any different to the eye, it does not make it any different to the taste, than if they were admitted free.

The result of the action of the committee, therefore, I think is that you give no relief whatever along the lines of practicing deception upon those who buy it thinking it is coffee. That can be done just the same if it had a tariff on it as though it had not a tariff on it.

Now, the Senator says the duty makes it less profitable to go into that business; that they would not make as much money out of it and probably could not sell the product as cheap; that, assuming they are going to deceive the people and sell them something as coffee that is not coffee, as long as it comes in competition with the product of the international trust that can be done just the same by a tariff on as though it came in free. It

seems to me that it would be the part of wisdom to let it come in free and let the product be just as cheap as it can be made, and thus bring about more competition in the use of the article.

While there may be instances where men sell substitutes of coffee for coffee, the same as they sell almost every other article of commerce, I am constrained to believe that that is only a small part of the business and that the great amount of it is sold as substitutes for coffee. I presume that if Postum, an advertised substitute for coffee, were imported, it would have to pay duty under this provision, and yet nobody, as far as I know, has ever undertaken to sell Postum as coffee.

There are other substitutes for coffee I have seen advertised at different times, and in a little way I have known of their use, such as chicory, and so forth, but they are not sold as coffee, and we ought to give them all the opportunity we possibly can to compete with real coffee.

The only beneficiaries of this legislation, as I look at it, are those who are engaged in the valorization of coffee and the robbery of the American people, that has been going on for the last four or five years, by which the people have been compelled to pay an extortionate and unreasonable price for that product. It seems to me that there can be no defense made of that particular trust nor against the proposition to put on the free list anything that comes in competition with them.

Mr. President, I do not care to take up the time of the Senate in debating the question further. I am willing to concede that it would not settle the subject and put this trust out of business; I am not claiming that for it, but it would have a tendency in that direction and that would be some help.

Mr. WILLIAMS. We reduced the duty in this paragraph half a cent a pound, and after full consultation we saw no reason to change our conclusion.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska to strike out paragraph 238.

Mr. NORRIS. I ask for a roll call on the motion to strike out the paragraph.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

Mr. LEWIS (when his name was called). I again announce my pair with the Senator from North Dakota [Mr. GRONNA], and ask that this announcement stand for the day.

Mr. LIPPITT (when his name was called). I again transfer my pair with the Senator from Tennessee [Mr. LEA] to the junior Senator from Maine [Mr. BURLEIGH] and vote. I vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the Senator from Nevada [Mr. NEWLANDS]. I understand, if present, he would vote the same way as I shall upon this question, and therefore I take the liberty of voting. I vote "nay."

Mr. THOMAS (when his name was called). I announce the same transfer of my pair as previously, and vote. I vote "nay."

Mr. WARREN (when his name was called). I have a pair with the Senator from Florida [Mr. FLETCHER], and therefore withhold my vote.

The roll call was concluded.

Mr. CHILTON. I make the same announcement as to my pair and transfer that I did upon the former ballot and vote. I vote "nay."

Mr. BRYAN. I transfer my pair with the junior Senator from Michigan [Mr. TOWNSEND] to the junior Senator from Nevada [Mr. PITTMAN] and vote. I vote "nay."

I desire to announce that my colleague [Mr. FLETCHER] is detained from the Senate on public business.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. OWEN] and vote. I vote "nay."

Mr. ASHURST. My colleague [Mr. SMITH of Arizona] has been called from the Chamber on an important matter. If he were present, he would vote "nay."

Mr. LEWIS. I desire to transfer my pair with the Senator from North Dakota [Mr. GRONNA] to the Senator from Arizona [Mr. SMITH] and to vote. I vote "nay."

Mr. THORNTON. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], and also that he is paired with the junior Senator from West Virginia [Mr. GOFF].

Mr. BACON. I again announce my pair with the senior Senator from Minnesota [Mr. NELSON]. In his absence I withhold my vote. If he were present, I should vote "nay."

The result was announced—yeas 18, nays 44, as follows:

YEAS—18.			
Borah	Colt	Kenyon	Sherman
Brady	Crawford	La Follette	Sterling
Brandegge	Cummins	Norris	Weeks
Bristow	Fall	Page	
Catron	Jones	Poindexter	
NAYS—44.			
Ashurst	Lewis	Reed	Smith, S. C.
Bradley	Lippitt	Robinson	Stephenson
Bryan	Lodge	Root	Stone
Chilton	McCumber	Saulsbury	Swanson
Gallinger	Martin, Va.	Shafer	Thomas
Hollis	Martine, N. J.	Sheppard	Thompson
Hughes	Myers	Shields	Thornton
James	O Gorman	Shively	Tillman
Johnson	Overman	Simmons	Vardaman
Kern	Perkins	Smith, Ga.	Walsh
Lane	Ransdell	Smith, Md.	Williams
NOT VOTING—33.			
Bacon	Dillingham	McLean	Smith, Mich.
Bankhead	du Pont	Nelson	Smoot
Burleigh	Fletcher	Newlands	Sutherland
Burton	Goff	Oliver	Townsend
Chamberlain	Gore	Owen	Warren
Clapp	Gronna	Penrose	Works
Clark, Wyo.	Hitchcock	Pittman	
Clarke, Ark.	Jackson	Pomerene	
Culbertson	Lea	Smith, Ariz.	

So the amendment of Mr. NORRIS was rejected.

The SECRETARY. Paragraph 240, relative to spices, on page 63, was passed over and recommitment.

Mr. WILLIAMS. In connection with that paragraph, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The paragraph has not yet been read. The Secretary will read the paragraph.

The Secretary proceeded to read paragraph 240. The first amendment of the Committee on Finance which was passed over, in paragraph 240, was, on page 63, line 23, after the word "spices," to insert the word "unground"; so as to read:

240. Spices, unground: Cassia buds, cassia, and cassia vera; cinnamon and cinnamon chips; ginger root, unground and not preserved or candied; nutmegs; pepper, black or white; capsicum or red pepper, or cayenne pepper; and clove stems, 1 cent per pound; cloves, 2 cents per pound; pimento, $\frac{1}{2}$ of 1 cent per pound; sage, $\frac{1}{2}$ cent per pound; mace, 8 cents per pound.

The amendment was agreed to.

The next amendment was, in the same paragraph, on page 64, line 4, after the word "pound," to insert the words:

Bombay or wild mace, 18 cents per pound; ground spices, 20 per cent ad valorem in addition to any duty on the spices in an unground state.

The VICE PRESIDENT. The amendment proposed by the Senator from Mississippi [Mr. WILLIAMS] to the amendment of the committee will be stated.

The SECRETARY. On page 64, line 4, after the first words in the committee amendment, viz, "Bombay or wild mace, 18 cents per pound," it is proposed to strike out "ground spices, 20 per cent ad valorem in addition to any duty on the spices in an unground state" and to insert "ground spices, in each case, the specific duty per pound enumerated in the foregoing part of this paragraph, and in addition thereto a duty of 20 per cent ad valorem for unground spices."

The VICE PRESIDENT. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WILLIAMS. Mr. President, the Senator from Utah [Mr. Smoot] seems to think that the words "Bombay or wild mace, 18 cents per pound," were stricken out.

The VICE PRESIDENT. No.

Mr. SMOOT. I was not in; and I should like to ask the Senator having this portion of the bill in charge why Bombay or wild mace should carry a duty of 18 cents per pound? The present rate is 10 cents.

Mr. WILLIAMS. It is virtually a prohibitory duty. We put it on upon this ground: Real mace is brought to us, and Bombay mace, which has no quality of a spice and is a shrunken-up thing of no value whatsoever, any more than any hull of a nut or anything dried out, is brought over here and mixed with genuine spices, so that even chemists can not distinguish it and nobody can tell anything about it.

Mr. SMOOT. It analyzes the same as the regular mace.

Mr. WILLIAMS. It is sold as the regular mace, and we wanted to discourage that. Honest importers do not import it, but dishonest ones do.

The SECRETARY. The next paragraph passed over is paragraph 254, on page 70, relating to sweet wine, which continues to the end of that page, the two following pages, and a portion of page 73.

Mr. SIMMONS. That paragraph was recommitted to the committee, probably at my request, and we are not ready to report on it.

Mr. WILLIAMS. The committee desires to insert as a new paragraph, to be known as paragraph 254, the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 73, after line 6, it is proposed to insert a new paragraph, as follows:

PAR. 254. On and after the 1st day of January, 1914, all stamps required by law to be affixed to packages of distilled spirits filled on the premises of rectifiers or wholesale liquor dealers shall be charged to collectors as representing the value of 25 cents each, and shall be paid for at that rate by each rectifier or wholesale dealer on whose packages the stamps are used; and such stamps shall be issued and accounted for by collectors in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The Chair would like to inquire of the chairman of the committee in regard to paragraph 254. Is that still in the hands of the committee?

Mr. SIMMONS. Mr. President, as I stated a moment ago, that paragraph is still before the committee. We are not ready to report upon it.

Now, I ask that Schedule I, cotton manufactures, be passed over temporarily. The Senator from Georgia [Mr. SMITH] was not able to be with us last night, and we did not finish that schedule. I ask that we now go to Schedule J.

The VICE PRESIDENT. The Secretary will state the first paragraph passed over in Schedule J.

The SECRETARY. The first paragraph passed over in Schedule J is, on page 86, paragraph 290, reading as follows:

290. Bags or sacks made from plain woven fabrics, of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, 10 per cent ad valorem.

Mr. WILLIAMS. That paragraph was passed over at the request of the Senator from Washington [Mr. JONES], who wanted us to consider an amendment to put certain Calcutta sacks upon the free list. The committee have considered the matter and concluded that it was better to leave the paragraph as it is.

Mr. JONES. Mr. President, I think I discussed that matter fully the other day, and I will not take the time of the Senate in discussing it further; but I should like the amendment which I have offered put to a vote. I will not ask for a roll call on it, but merely that it be submitted to the Senate.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 86, paragraph 290, at the end of line 16, after the words "ad valorem," it is proposed to insert the following proviso:

Provided, That jute grain bags, known commercially as standard Calcutta, 22-inch by 32-inch grain bags, shall be admitted free of duty.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. POINDEXTER. Mr. President, I desire to say, supplemental to what has already been said upon that question, which is the same question as that raised by an amendment of which I gave notice some time ago, that this tax is a great burden on the wheat growers of the Pacific coast and offers no substantial return to the country in the way of protection of any important industry or any industry that is likely to become important. All of the grain raised in Idaho, Oregon, Washington, and California is garnered in sacks, and nearly all of it is shipped abroad. The sacks are imported and filled with wheat and immediately exported. The tax upon the sacks, as was very well stated by my colleague, operates as a tax upon the transaction of harvesting and shipping wheat, and because it is a crop which is exported it, in effect, operates as a tax upon exports. While, of course, it is not legally in conflict with the Constitution of the United States, which enjoins Congress from levying any tax upon exports, yet in effect that is what it amounts to.

Mr. WILLIAMS. I think the Senator will find that, while there were about 40,000,000 of these bags imported, only about 4,000,000 of them are exported filled with wheat.

Mr. POINDEXTER. Mr. President, the Senator is evidently misinformed in regard to that.

Mr. JONES. Entirely so.

Mr. POINDEXTER. That would be something like 8,000,000 bushels of wheat for export. I have not the figures here, but we raise in the State of Washington alone, to say nothing of Idaho, Oregon, and California, 40,000,000 bushels of wheat a

year, most of which is exported. The Senator's figures are entirely erroneous.

I ask leave, Mr. President, in connection with what I am now saying, to print a statement from the Department of Commerce in regard to the number of sacks which are used for exporting wheat and the amount of wheat exported in sacks.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

Exports of wheat, barley, oats, and rye from certain specified customs districts during the year ended June 30, 1913, and value of same.

	Bushels.	Dollars.
Puget Sound, Wash.:		
Wheat.....	5,668,394	4,790,962
Barley.....	19,186	11,589
Oats.....	214,632	79,609
Rye.....	5,290	4,189
Portland, Oreg.:		
Wheat.....	8,147,139	6,965,224
Barley.....	1,764,591	1,276,851
Oats.....	143,320	94,277

Total imports of "bags of jute" during fiscal year 1913, 51,909,003 pounds; value, \$4,278,140.

Mr. POINDEXTER. I ask for the yeas and nays on the amendment.

Mr. SHIVELY. Mr. President, I direct the attention of the Senate to the fact that the present duty, reduced to an ad valorem basis, is 28.84 per cent; that is, the duty in the present law, under paragraph 354, is seven-eighths of 1 cent per pound and 15 per cent ad valorem. By this provision we reduce the duty to 10 per cent ad valorem.

Mr. WARREN. Mr. President, in that connection I should like to ask a question. I should like to ask it of the Senator from Georgia [Mr. SMITH], but I see he is absent.

Paragraphs 288 and 290 refer to bags and bagging. Over on page 129, paragraph 416 provides for bagging for cotton, gunny cloth, and so forth. I am informed that the intention is to make bagging for cotton, wool, and grain free, but it does not seem to me, from a reading of these sections, as if that would be accomplished. If there is any reason for stating in words in the bill that the bagging for cotton shall be free, it seems to me it is rather an invidious distinction that it should not also state "for grain and for wool," too.

Mr. SHIVELY. Mr. President, I think the Senator will find that the cotton bagging and grain bagging are on precisely the same basis—that is, they are both on the free list. It so happens that the bag is made on the bale in the case of cotton—that is, the burlap or cloth is sewed on the bale. Of course, in the case of grain the bag is made before the grain is put into it; but, so far as the duties are concerned, they are on the same basis as to both articles.

Mr. WARREN. I do not yet understand that.

Mr. SHIVELY. Of course, the Senator understands that the burlap is sewed on the bale of cotton after the bale is made. After it is pressed the cloth is placed around it and sewed up with iron ties, while, on the other hand, in the case of grain, the bag is made before the grain is put into it. In both cases the burlap—the cloth out of which the article is made—is on the free list.

Mr. WARREN. I do not understand that it is a burlap that is used in bagging for cotton.

Mr. SHIVELY. Oh, yes.

Mr. WARREN. Then I have been misinformed.

Mr. SHIVELY. Oh, yes. It is jute burlap which is used both in cotton and in grain bagging.

Mr. WARREN. It is true, as the Senator says, that the grain sacks are made before the grain is put into them. So it is with wool; although when the wool arrives at destination, differentiating it from the grain bag, the bag is cut open lengthwise and the wool taken out, and the sack is ruined. In the case of grain the sack is often used again.

Mr. SHIVELY. Yes. Of course, in that particular, if there be a shade of difference, it is in favor of the grain sacks, because, in the case of the cotton wrapper, when it is once used it is substantially worthless, while the grain sack may be used half a dozen times.

Mr. WARREN. Then, I am to understand, am I, that the proponents of this bill assure us that they stand exactly equal—the coverings for grain, which has been made free; the coverings for wool, which has been made free; and the coverings for cotton, which is also free?

Mr. SHIVELY. Yes; the Senator understands that whatever difference there may be arises out of the peculiar manner of the

use of the one as distinguished from the other. That is to say, in the case of the cotton sack or wrapper it is fastened or sewed together with iron ties on the bale itself when pressed, while in the case of the grain sack or wrapper the grain is put into the sack after the sack is made. The one is made on the wrapped article and the other is made before the article is placed in it. The difference is of the manner of the use and not a difference of duty.

Mr. SMOOT. If the wool were baled as we used to bale it, the burlap that would go around the bale of wool would be free, the same as the cotton bagging; but we are not handling wool in that way to-day. It is put into a wool bag, sewed up, which carries a rate of 10 per cent, just the same as grain bags under the bill.

Mr. WARREN. If the covering of cotton is cotton, then there is no charge for the covering.

Mr. WILLIAMS. I will explain it to the Senator.

Mr. WARREN. I should be glad to have it explained.

Mr. WILLIAMS. The cloth out of which cotton bagging is made, and out of which wool bags are made, and out of which grain sacks are made, is all burlap. Now the cloth is put upon the free list. Of course there is no such thing as a cotton bag, because you simply take the bagging, put it in the cotton press, let it lap over in this way, press the cotton down under powerful pressure, and then, after it is pressed, you draw your bagging across it and clamp your iron ties to hold the bagging in place. You may call that a cotton sack if you choose, but it is put on after the cotton is pressed, as the Senator from Indiana says. Therefore, of course, you can not protect a cotton planter's cotton sack, because it is not made into a sack except right at the gin on the cotton. For that reason these three products receive precisely equal treatment in this bill.

Now we reduce the duty on made sacks from about 28 and a fraction per cent to 10 per cent; and then, besides that, we give the American manufacturers of grain sacks free raw material. They tell us that while they have not hitherto made very many bags they can now make them, as they think, with free raw material. They say that while we import some 40,000,000 of these sacks, I believe, we export only about 4,000,000 in the exportation of wheat.

Mr. JONES. Mr. President, if the information that the Senator has with reference to this matter generally is no more reliable than the information that is conveyed to him to the effect that only 4,000,000 of these sacks are used for export his information is not at all reliable, because we certainly export far more than that.

Mr. WILLIAMS. That may be; but still it comes from parties that are considered very reliable.

Mr. SMOOT. On the Pacific coast there were exported 11,687,655 bushels of wheat and 9,146,052 bushels of barley; so that it takes a few over 11,000,000 bags to cover the wheat and the barley that is exported from the Pacific coast.

Mr. BRANDEGEE. Mr. President, will the Senator from Mississippi point out to me in what paragraph the bagging which is used for making bags for wool is covered?

Mr. WILLIAMS. Paragraph 416. It covers the material out of which bags for wool are made. It does not name them as bags for wool.

Mr. BRANDEGEE. This same paragraph, 416, includes bags in which wool is put up, does it?

Mr. WILLIAMS. It includes the cloth out of which the bags to go around the wool are made, and the cloth out of which the grain sacks are made, and the sacks out of which the cotton bagging is made.

In connection with this subject I desire to have some matter inserted in the RECORD as a part of my remarks.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

AMES HARRIS NEVILLE CO.,
Portland, Oreg., August 28, 1913.

HON. GEORGE E. CHAMBERLAIN,
United States Senate, Washington, D. C.

MY DEAR SIR: I have just received the CONGRESSIONAL RECORD, volume 50, No. 93, of August 21, and note on page 3596 and the following pages Senator JONES's argument in support of his amendment to place certain bags on the free list.

I do not think that Senator JONES is fully advised as to the facts in this matter, for his argument contains many statements that are inaccurate and other statements that are incorrect.

First. He states that the duty on bags practically amounts to a tax on exports of the farmer's wheat. Out of the total wheat crop produced in Oregon, Washington, Idaho, California, and, in fact, all the Pacific coast, only a very small portion—i. e., from 20 to 25 per cent—is exported. Practically all the wheat that is exported is exported from Portland and Seattle, and the average exportations amount in recent years to only about 10,000,000 bushels.

Second. There are imported annually from Calcutta approximately 40,000,000 bags for harvest purposes, and of this 40,000,000 bags, ac-

according to statistics, only about 4,000,000 are exported filled with wheat—that is, only 10 per cent of the importations—so that if the duty on the bags is a tax on the exportations it would be a most insignificant tax.

Third, Senator JONES states, on page 3596, that the manufacturers of the Pacific coast are not manufacturing any bags under the Payne-Aldrich tariff. It is true that the importations from Calcutta are substantial, but it is also true that all the bag factories on the Pacific coast are manufacturing at least to some degree the bags required to harvest the crop. We can not give these figures exactly, but the quantity is not entirely insignificant.

Furthermore, if the bill at present pending before the Senate is enacted into law, and burlap is on the free list, and bags carry a duty of 10 per cent, the local manufacturers will be in a position to supply a larger portion of the bags required than they are able to supply at this time.

In conclusion, we can only state, as we have stated before; that is, that the differential of 10 per cent is a low differential. We do not think any manufacturer has asked for a lower competitive differential, and the differential we are asking is competitive only. We do not claim that it will preclude all Calcutta importations, but we do claim that it will afford the local manufacturers an opportunity to compete, and if this opportunity to compete is not afforded them it will mean the entire industry will be transferred to Calcutta, and the Calcutta mills will then have a positive monopoly, and we believe we are fully warranted in saying that they will add to their cost of manufacture the additional cost of manufacture in this country. There is no reason why they should not add this, for they would easily be in a position to obtain it.

The facts in regard to exportation of wheat from Pacific coast ports, and also the exportation of bags filled with wheat, is readily susceptible to proof, and we believe this proof can be obtained by an inspection of the public records at Washington. If Senator WILLIAMS, who has in charge the Finance Committee, want proof of the accuracy of the statements in the wire which I sent you to-day, and of which I herewith inclose a copy we would be very glad indeed to supply such proof, and believe it can be supplied in a very short period of time.

Again thanking you for your many courtesies, I remain,

Yours, truly,

EVERETT AMES.

PORTLAND, OREG., August 28, 1913.

Hon. GEORGE E. CHAMBERLAIN,

United States Senate, Washington, D. C.:

Have just read CONGRESSIONAL RECORD of August 21, which contains Senator JONES's argument in support of his amendment to place certain burlap bags on the free list. His argument is inaccurate and incorrect in many ways. In the first place, not more than 20 to 25 per cent of the wheat produced on the Pacific coast is exported. Out of average annual importations of 40,000,000 burlap bags from Calcutta not more than 10 per cent are exported filled with wheat. In the second place, the bag factories on the Pacific coast have during the last four years furnished some of the bags required to sack the crop. If burlap is placed on the free list and bags are assessed at 10 per cent ad valorem, local factories will be in a position to furnish a larger proportion of the bags required. Reduction of duty on burlap and burlap bags in Underwood law is very material. Bag manufacturers asking only 10 per cent differential, which is extremely low. Think if bags are put on the free list it will mean no material benefit to the farmer, but will seriously injure established industry. Facts stated in this telegram readily susceptible to proof by public records. If Senator WILLIAMS or other members of Finance Committee think proof necessary, we can immediately arrange to procure same.

EVERETT AMES.

Mr. BRANDEGEE. Why is it necessary to say what this bagging is to be used for when it is put on the free list? Why is not the article itself described by its texture, instead of saying "bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton"?

Mr. SHIVELY. The language descriptive of the cloth used in making grain bags, and which we place on the free list, is in paragraph 416, and is in these words: "Plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process." That covers the jute cloth out of which grain bags are made.

Mr. BRANDEGEE. All I want to know is, does the bagging that is suitable for making bags for wool come in free also?

Mr. WILLIAMS. Undoubtedly; and the stuff that is suitable for making bags for wool is just the fabric which was referred to by the Senator, to wit, "plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process."

Mr. BRANDEGEE. If that is so, I do not see any reason for using the word "cotton" at all, any more than for saying "bagging suitable for cotton and for wool."

Mr. WILLIAMS. There is not a particle of use; but we found it in the House text, and we saw no use in making an extra and superfluous Senate amendment to vote on in the Senate.

Mr. BRANDEGEE. I am satisfied if the two are treated equally.

Mr. WARREN. Mr. President, as I understand it now, the purpose is that the cloths for all of these articles are to be admitted free, but if any labor goes into them in the way of making sacks before they come into this country—

Mr. WILLIAMS. There is a duty of 10 per cent ad valorem.

Mr. WARREN. And therefore, in addition to a matter of revenue, it is protective to labor? Is that the contention?

Mr. WILLIAMS. It is to that extent, necessarily. It could not be otherwise.

Mr. WARREN. I want to know that, because that lies very closely along the line of some remarks I made a few days ago about the matter of tops. While I presented that matter from the standpoint of the woolgrower, there is quite a good deal of labor entering into the making of tops from ordinary grease wool.

Mr. SIMMONS. I hope the Senator from Wyoming is not going to make another argument on tops.

Mr. WILLIAMS. We got over three-quarters of a million dollars revenue from this source last year.

Mr. SIMMONS. I want to say that the committee certainly had the purpose of putting cotton bagging and the material out of which grain sacks are made upon an equality, and putting them both on the free list. If Senators can think of some word that will designate the class more specifically, we shall be glad to consider it; but I do not think there can be any sort of doubt about it.

Mr. WARREN. As it reads, it will be understood until it is explained, as it has been, or at least it may be construed by those who will construe the law, as an invidious distinction between products, because one is mentioned by its name and the others are not.

But returning for a moment, I am quite willing that labor should be protected in whatever line it is employed. I want the committee to remember that. As to these other items of partial manufacture that go into these uses, when a great product is made utterly free of duty, I should like to see it permit the man who raises the product and who has to go to the market to obtain the containers relieved as far as possible of duty. It is hardly fair for a man to have to raise a product free of duty and pay a duty for the wrapping for it, and then turn around and have a duty upon every article which he may use, made out of the identical material raised by such producer.

Mr. SIMMONS. I had not understood that Senators on the other side were contending for free raw materials and a duty on the manufactured product; but I wish to say to the Senator that there is a great deal of revenue involved in this item. At present it is yielding a revenue of \$847,000 a year. I do not wish to go into that discussion, however.

Mr. SMOOT. I simply wish to call attention to the fact that under the present law the equivalent ad valorem on plain woven fabrics is 23.86 per cent. The equivalent ad valorem for bags is 28.84 per cent. So the differential between cloths and bags under the present law is 5 per cent, but the committee in reporting the bill has made a differential of 10 per cent.

Mr. WILLIAMS. Yes; 10 per cent.

Mr. SMOOT. So the differential between the free cloth and the manufactured bag under the pending bill is 10 per cent, and under the present law it is only 5 per cent.

Mr. SHIVELY. With an estimated revenue of \$320,000.

Mr. BRANDEGEE. The Senator from Utah does not complain of that, does he?

Mr. SMOOT. I was just stating the fact as it really exists. Of course the differential of 5 per cent more will be paid by the user of the grain bag or the wool bag.

Mr. WILLIAMS. I ask for a vote upon the paragraph.

Mr. JONES. Just a word, Mr. President. Most of the discussion here has been off the amendment that is pending.

The pending amendment calls for a special class of bags to be placed on the free list. As I said, the information that has been given to some Senators with reference to the number of these bags that are used for export is certainly very erroneous. There are many more than 4,000,000 used for export.

This tax can not be justified from a Democratic standpoint at all. It is true that it raises some revenue; but it is a tax upon an agricultural product that is used largely for export, and it certainly ought not to be imposed upon an agricultural industry.

I hope the amendment I have offered will be adopted.

Mr. POINDEXTER. Mr. President, I ask for the yeas and nays upon the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I transfer my pair with the junior Senator from Michigan [Mr. TOWNSEND] to the junior Senator from Ohio [Mr. POMERENE] and vote "nay."

Mr. CHAMBERLAIN (when his name was called). Again announcing my pair with the junior Senator from Pennsylvania [Mr. OLIVER] I withhold my vote in his absence.

Mr. LEWIS (when his name was called). I again announce the transfer of my pair to the Senator from Arizona [Mr. SMITH] as before. I vote "nay."

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. THOMAS (when his name was called). I make the same transfer of my pair as previously announced and vote "nay."

Mr. WARREN (when his name was called). I again announce my pair with the Senator from Florida [Mr. FLETCHER].

The roll call was concluded.

Mr. CHILTON. I announce my pair with the junior Senator from Maryland [Mr. JACKSON] and withhold my vote.

Mr. THORNTON. I wish to announce the necessary absence of the Senator from Alabama [Mr. BANKHEAD]. He is paired with the junior Senator from West Virginia [Mr. GOFF].

Mr. POMERENE. I transfer my pair with the Senator from Michigan [Mr. TOWNSEND] to the Senator from Montana [Mr. WALSH] and vote "nay."

Mr. WALSH entered the Chamber and voted "nay."

Mr. POMERENE (after having voted in the negative). As the Senator from Montana [Mr. WALSH] has come into the Chamber and voted, I withdraw my vote.

The result was announced—yeas 26, nays 38, as follows:

YEAS—26.

Borah	Crawford	McLean	Sherman
Brady	Cummins	Nelson	Smoot
Brandagee	Dillingham	Norris	Stephenson
Bristow	Gallinger	Page	Sterling
Catron	Jones	Perkins	Weeks
Clark, Wyo.	Kenyon	Poindexter	
Coit	La Follette	Root	

NAYS—38.

Ashurst	Lane	Saulsbury	Swanson
Bacon	Lewis	Shafroth	Thomas
Bradley	Martin, Va.	Sheppard	Thompson
Bryan	Martine, N. J.	Shields	Thornton
Hitchcock	Myers	Shively	Tillman
Hollis	O'Gorman	Simmons	Vardaman
Hughes	Overman	Smith, Ga.	Walsh
James	Ransdell	Smith, Md.	Williams
Johnson	Reed	Smith, S. C.	
Kern	Robinson	Stone	

NOT VOTING—31.

Bankhead	du Pont	Lippitt	Pomerene
Burleigh	Fall	Lodge	Smith, Ariz.
Burton	Fletcher	McCumber	Smith, Mich.
Chamberlain	Goff	Newlands	Sutherland
Chilton	Gore	Oliver	Townsend
Clapp	Gronna	Owen	Warren
Clarke, Ark.	Jackson	Penrose	Works
Culberson	Lea	Pittman	

So Mr. JONES's amendment was rejected.

Mr. GALLINGER. In connection with the observations I made on the tariff bill this morning I had intended to ask unanimous consent to place in the RECORD a letter of Mr. John T. Lord, of Lawrence, Mass., in answer to some strictures which were made upon that city in an article in Collier's Weekly, which was quoted a few days ago. I now ask unanimous consent that the letter may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The letter referred to is as follows:

215 HAYVERHILL STREET,
Lawrence, Mass., August 30, 1913.

Senator J. H. GALLINGER,
United States Senate, Washington, D. C.

MY DEAR SENATOR GALLINGER: My attention has been called to the discussion in the Senate on August 25 in which Senator SMITH of South Carolina asked to have read an article which appeared in Collier's Weekly and which had reference to the textile strike in Lawrence a year and a half ago.

Referring to this article, there is truth in the statement that among the stockholders are some of the finest people in New England, many of whom live in Boston and whom Collier's is pleased to designate as an "aristocracy based upon the profits of the textile mills of New England." It is also equally true that as respects the Lawrence mills there is a larger number of local stockholders, some with fairly large holdings, who are deeply interested in both the prosperity of the mills and the welfare of the surrounding community.

The assertion that "not a single large stockholder in the Lawrence mills lives in Lawrence" is untrue. The largest stockholders in the duck mill, a large stockholder in the Everett Mills, the proprietor of the large Lewis woolscouring plant, and the owners of the Walworth Mills all live in Lawrence. The principal owner of the Kunhardt Mills in this city lives within one and a half miles from the mill in the adjoining town of North Andover, while in the same town at the time the Collier article was published there lived within seven minutes' ride from his mills in Lawrence one of the largest stockholders in both the Uswooco Mills and the Lawrence Dye Works, both of which corporations have since been merged with the United States Worsted Co.

To say that "there is only one of the important mill managers who lives in Lawrence" does not accord with fact. Of the three agents of the three large mills of the American Woolen Co. in this city one lives in Lawrence, another on the border line separating Lawrence from Methuen, and a third in Andover, within 2 miles of the mill. With respect to the Everett Mills, the treasurer, agent, and superintendent, respectively, all live in this city. The agent and superintendents of the Pacific Mills have always lived in Lawrence, and the same is true of

the Atlantic Mills, which was in existence at the time of Collier's criticism. The Arlington Mills plant is located on both sides of the line separating Lawrence from Methuen, and as the nearest residential section to these mills is over the Methuen line it is only natural that the agent and superintendent of this mill should choose the nearest and most convenient location for residence. The treasurer and general manager of the Lawrence Duck Mills has lived in Lawrence for not less than 30 years, and still maintains his residence here. The principal owner and manager of Kunhardt's mill lived in this city up to a few years ago, when he moved over the line into North Andover, not over 1½ miles from his manufacturing plant. The Walworth Mills are owned and operated by three brothers, lifelong residents of Lawrence. At the time the Collier article was published a Lawrence man was treasurer and general manager of both the Lawrence Dye Works and the Uswooco Mill. The above-mentioned mills comprise all the important textile concerns in this city.

Regarding the "absence of old men and old women," this can have reference only to people of such nationalities as Italian, Polish, and Syrian, who only within the last 12 or 15 years have begun to settle in this city. Of these people very few come to Lawrence past middle life, probably for the reason that they are unfitted for textile employment; they have had no previous textile training and are too advanced in years to acquire any degree of competence or skill in mill processes. This phase is referred to at greater length in the newspaper clipping inclosed. In a few years, however, we shall have a normal number of old men and old women of these nationalities in our mills. As respects Americans and other nationalities who have been long enough in textile occupations to grow old in same, far from the mills "milking the cream of youth from humanity and sending the remainder to the scrap heap," they carry along their aged employees, and as strength and health fail they are transferred to lighter and easier work that falls within their declining capacity. One reason why the average wages of textile mills is no higher is that many aged employees are carried along whose earnings, of necessity, are relatively low.

The picture of the wife having to go into the mills to supplement the husband's earnings, "followed by one child after another as fast as they arrived at the legal age," is overdrawn. It is the rule for mothers to stay at home and care for the family, and the exception for them to do mill work, and in the latter case it is usually because the mother is a widow or that the father is delinquent. Newly married women will frequently continue their mill occupation until within a few months of the birth of their first child, and that usually marks the end of their mill career unless later they become widows or the victims of nonsupport.

It is to be acknowledged that among the non-English-speaking immigrant population there is an unusually large proportion of individuals who are stunted, not fully developed, bearing marks of cruelty, suffering, and neglect endured in their native countries, and because of their abnormal physical condition they are rejected by the mills. But later, upon plea of their clergyman or other influential countryman or upon request of the overseers of the poor or of some charitable organization, the mills relent and take them in, and in such event it is hardly fair to have their physical defects charged up against the textile industry, when in so many instances the training and treatment which they receive in the mill improves their physical condition and renders them less defective.

There is no truth in the statement that "thousands also in this city go underclad"; it would be nearer the mark to substitute the word "overclad." The use of the overcoat is not fully appreciated by the newly arrived immigrant, but he keeps himself and family abundantly warm in the coldest weather by the most astonishing amount and variety of underwear. So much are the children of such families bundled up on cold days that in the warm atmosphere of the school-room they become too heated and sleepy for study until relieved of their excess of wrappings. But after his first winter he learns the lesson that lighter underclothing and a heavy overcoat is the better combination, and he is quick to adopt it.

"A textile working town," such as is pictured in Collier's, "is not a pleasant place to live in," but the description does not fit Lawrence. Essex Street, our main business thoroughfare over a mile long, is one of the finest business streets in New England. It is wide; the granite paving throughout its entire length is one of the finest specimens of its kind in the country; the sidewalks are granolithic and very wide; almost every store and bank and office building has either been rebuilt or remodeled during the past 10 years, and it is in every way a model business section such as many a larger and less notorious city would be proud of. To insinuate that Lawrence consists of "dirty wooden buildings, dirty streets, unlovely looking people, cheap goods in the store windows, no good society," is a gross and wilful libel and resented by everyone who loves the truth and knows the facts.

One of the most mischievous and misleading notions that has gained currency and popular belief is that textile mills have been forcing out American and other high-class help in order to take on low-priced labor from southern Europe. Nothing is further from the truth, and no one deprecates the shortage of American workmen, with American standards, more than the mills themselves. The facts in the case are as follows: Textile mills never paid such high prices for labor as at present; this applies to every department and process of manufacture. Wages are now 40 per cent to 60 per cent higher than 20 years ago. About one half of the work performed in a mill is paid for on a piece basis, the other half on time basis. The laws of Massachusetts require that in every room where work is paid for by the piece a price list of such piecework is to be posted in a prominent place, so that every employee may always know his rate of compensation. Where employees are paid by the hour, each overseer is furnished with a schedule showing the price per hour to be paid for each occupation, and in making up his pay roll he has no alternative but to use schedule figures. When a person is hired he is told what wages he will receive. In entering up the pay roll the question of nationality is never considered; in the case of piecework it is simply to record the amount of work produced and the price is according to the published list. In the instance of time work it is simply to record the number of hours worked, and the rate is the one and only rate that appears on the official wage schedule. There is absolutely no discrimination in the wage rate on the basis of nationality, or any other distinction. All rates are fixed, and whoever performs any given work is paid the standard rate for such work. The only deviation from this is in the case of learners on time work, who for a limited period, rarely in excess of two or three weeks, receive less than normal pay. The logical sequence to such situation, therefore, is that overseers in hiring their help greatly prefer workpeople of American standard and resort to every conceivable means to fill up their departments with employees of this caliber. But, unfortunately, enough are not to be found, and he reluctantly takes on the immigrant of for-

eign tongue, who at the best and for a long time is a cause of much defective work and a source of grave anxiety to the overseer, who is responsible for the quantity and quality of the product that emerges from his department. Instead of the southern European selling his services for a lower price than the workman of American standard, he receives fully as much wages as his American fellow workman, while for a time, until he becomes skilled and proficient, he turns out an inferior and diminished product. The mills are therefore losers and not gainers by the employment of this so-called "low-priced labor."

Present communication has been written in Bethlehem, N. H., where I am spending a brief vacation. If I had access to my papers in Lawrence some of the observations made could have been stated with greater definiteness. I have, however, arranged to have mailed to you copy of *The Survey*, containing Judge Rowell's article on the Lawrence strike, which is an impartial and truthful statement of conditions in our city and refutes many of the misrepresentations and misstatements which have been so widely circulated.

Yours, very truly,

JOHN T. LORD.

Mr. SIMMONS. The bill may be laid aside for the day.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 12 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, September 3, 1913, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 2, 1913.

AGENT AND CONSUL GENERAL.

Olney Arnold to be agent and consul general at Cairo, Egypt

COLLECTORS OF CUSTOMS.

Zach L. Cobb to be collector of customs for the district of El Paso, Tex.

Frank Rabb to be collector of customs for the district of Laredo, Tex.

PROMOTIONS IN THE NAVY.

Midshipman Neil H. Geisenhoff to be an ensign.

Midshipman Rawson J. Valentine to be an ensign.

POSTMASTERS.

KENTUCKY.

J. B. Cray, Millersburg.

P. A. McIntire, Uniontown.

NEW YORK.

Leo R. Grover, Silver Springs.

Hiram E. Safford, Cherry Creek.

NORTH DAKOTA.

Lydia Gullickson, Goodrich.

SOUTH CAROLINA.

Henry P. Tindal, North.

WISCONSIN.

George Burke, Thorp.

Samuel Dewar, Westfield.

F. A. Ferriter, Hillsboro.

Herman H. Fiedler, Cuba.

Albert Hess, Arcadia.

F. C. O. Muenich, Argyle.

Fred Seifert, Jefferson.

Harvey Vincent, Park Falls.

Thomas Wilson, Belleville.

HOUSE OF REPRESENTATIVES.

TUESDAY, September 2, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite and eternal Spirit, whose life-giving currents are ever sweeping on and out into the souls of men, purifying, fructifying, ennobling, we thank Thee that Thou art constant in Thy ministrations, and we earnestly pray that we may be more susceptible; that we may do conscientiously whatsoever we find to do, without the fear or favor of men, seeking only to do Thy will. Unite, we beseech Thee, the brain and brawn of our people, that contentions and strife may be lost in the ties of brotherhood, that thus working together with Thee the best results may obtain for all; in the spirit of the Master. Amen.

The Journal of the proceedings of Saturday, August 30, 1913, was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, Mr. NEELEY was granted leave of absence for three days, on account of illness in his family.

PANAMA-PACIFIC INTERNATIONAL EXPOSITION.

Mr. UNDERWOOD, from the Committee on Ways and Means, reported a bill (H. R. 7595) permitting the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition and to protect foreign exhibitors, which was read a first and second time, referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report (No. 65), ordered to be printed.

RESIGNATION OF A MEMBER.

The SPEAKER laid before the House the following communication:

59 EAST ONE HUNDRED AND FIFTH STREET,
New York, August 31, 1913.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES,

Washington, D. C.

DEAR SIR: I beg to submit herewith my resignation as a Representative in Congress from the twentieth district of the State of New York, such resignation to take effect September 1, 1913.

Yours, respectfully,

FRANCIS BURTON HARRISON.

Member of Congress, Twentieth New York District.

BOLL WEEVIL.

Mr. BOOHER. Mr. Speaker, I ask for the present consideration of the following privileged resolution.

The SPEAKER. The gentleman asks consideration of a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 240.

Resolved, That the Secretary of Agriculture is hereby directed to communicate to the House of Representatives at the earliest practicable day, not later than the first Monday in December, 1913, the result thus far secured in the study and investigation of the boll weevil and the amount of money thus far expended in such study and investigation.

The SPEAKER. The question is on the resolution.

Mr. MANN. Mr. Speaker, where is the resolution now?

Mr. BOOHER. I ask unanimous consent to have it considered. It is a privileged resolution asking for information.

Mr. MANN. Is it a resolution just introduced?

Mr. BOOHER. Yes. I ask unanimous consent for its consideration.

Mr. MANN. Why should it not go to the Committee on Agriculture?

Mr. BOOHER. It is a privileged resolution and is not necessary. I showed the resolution to the gentleman from South Carolina [Mr. LEVER], chairman of the Committee on Agriculture, and he said he had no objection.

Mr. MANN. It is not a privileged resolution yet.

Mr. BOOHER. I think it is.

Mr. MANN. Oh, no.

The SPEAKER. The gentleman from Missouri is asking unanimous consent for its present consideration.

Mr. MANN. I think these resolutions ought, in the first place, to go to their appropriate committees, Mr. Speaker. Under the rule the committee must report back a resolution of inquiry within a week.

Mr. BOOHER. The trouble with referring it is that these committees are not authorized to report any of these resolutions.

Mr. MANN. If the committee does not report it, then it will become privileged, and the gentleman can call it up.

Mr. BOOHER. I wish the gentleman would withdraw his objection and let the resolution pass.

Mr. MANN. It does not call for a report until December.

The SPEAKER. Is there objection?

Mr. MANN. I shall have to object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois objects.

Mr. BOOHER. Then let the resolution go to the Committee on Agriculture.

The SPEAKER. It will be referred to the Committee on Agriculture.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 52. Joint resolution to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy.

HETCH HETCHY.

Mr. FERRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Hetch Hetchy bill, H. R. 7297.